



City of Dover

New Hampshire

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2016

CITY OF DOVER, NEW HAMPSHIRE
Comprehensive Annual Financial Report
For the Year Ended June 30, 2016

Prepared by:
The Finance Department

Daniel R. Lynch
Finance Director

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NHSL - CONCORD

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City Manager
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City of Dover, New Hampshire
OFFICE OF THE CITY MANAGER

January 23, 2017

To the Honorable Mayor and members of the City Council:

City Charter Section C6-12, Independent Audit, requires an annual independent audit of all City accounts at least annually. This Comprehensive Annual Financial Report (CAFR), including the opinion of the independent auditor, is published to fulfill that requirement for the fiscal year ending June 30, 2016.

The CAFR covers all funds of the City of Dover that by law, City Charter, or other fiduciary obligation, the City has become obligated to administer in connection with its responsibility for providing services.

This report consists of management's representations concerning the finances of the City of Dover. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making the representations, management has established a comprehensive internal control framework that is designed to both protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the financial statements in conformity with generally accepted accounting principles. Because the cost of internal controls should not outweigh their benefits, the framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material aspects.

The City's financial statements have been audited by Macpage, LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements for fiscal year ended June 30, 2016, are free of material misstatement. The independent audit involved performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The independent auditors concluded, based on their audit, that there was reasonable basis for rendering an unmodified opinion that the financial statements for the fiscal year ended June 30, 2016, are fairly presented in conformity with generally accepted accounting principles (GAAP). The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of the federal grantor agencies. The standards governing Single Audit engagements require the independent auditors to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with federal funding requirements, with special emphasis on internal controls and requirements involving the administration of federal awards. These reports are available in a separately issued Single Audit Report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). Users of this CAFR are encouraged to read this Letter of Transmittal in conjunction with the City's MD&A section found immediately following the report of the independent auditors.

Profile of Government

Geography Dover, New Hampshire is located ten miles from the Atlantic Ocean in southern New Hampshire and is 48 miles south of Portland, Maine and 68 miles north of Boston, Massachusetts. Situated at the confluence of the Cochecho, Salmon Falls and Bellamy Rivers, Dover is a major New Hampshire industrial, employment, and distribution center for the seacoast. Dover provides a gateway to both the Maine coast and the White Mountains of New Hampshire. The City of Dover occupies an area of 29 square miles. According to the U.S. Census Bureau, the City has an estimated population of 30,947, a 3.2% increase over the last official census of April 2010 number of 29,987.

The City of Dover, settled in 1623, is the oldest continuous settlement in New Hampshire and the seventh oldest in the United States. It was incorporated on June 29, 1855. The City Charter adopted on March 9, 1977, remained in effect until a new charter was passed on November 8, 2005 and effective January 1, 2006. Only minor changes were made versus the old charter. On November 6, 2007, the charter was amended establishing a limitation on annual budget increases. On November 10, 2010 the New Hampshire Supreme Court ruled that the November 6, 2007 charter amendment is invalid since it is contrary to state law. In the 2011 session of the State legislature, authorization for municipalities to adopt charter amendments for budget or tax levy limitations was enacted. On November 8, 2011 the charter was amended to change the language establishing the limitation on annual budget increases to a limitation on annual property tax levy increases. Dover operates under the council-manager form of government. Dover is the seat of Strafford County.

Services The City of Dover provides a full range of services, including police and fire protection, the construction and maintenance of streets and other infrastructure, sanitation services such as solid waste disposal and recycling, water distribution, wastewater collection and treatment, recreational and cultural events and education from kindergarten through grade 12 with a regional vocational center and alternative high school opportunities.

Governing Boards The City Council, consisting of nine members, is the legislative body elected in non-partisan elections every two years, with one representative from each of six wards, two elected at-large and a Mayor. The City Council is responsible, among other things, for passing ordinances, adopting the annual budget, adopting a six year capital improvements program, adopting bond authorizations, appointing committees and boards, and hiring of the City Manager. The City of Dover is empowered by state statute to levy property taxes on real property located within its boundaries to fund operations.

The Dover School Department is a dependent school district. The City Council has bottom line appropriation authority for the School Department budget. The seven member Dover School Board is elected in non-partisan elections every two years and has authority to allocate and move appropriations within its budget.

Administration Administrative functions are carried out by the City Manager. The City Manager is responsible for carrying out the policies and ordinances of the City Council, compliance with State and Federal laws, for overseeing the day-to-day operations of the government, for appointing the heads of the various departments, for negotiating with the various bargaining units of the City and making recommendations to the City Council on various issues.

Administrative functions of the dependent School district are carried out by the School Board. The Board is responsible for carrying out policies and procedures, compliance with State and Federal laws, overseeing the day to day operations of the dependent School district, negotiating with the various bargaining units, making appointments of school personnel, establishing curriculum and addressing various issues.

Fiscal Year and Budget The City's fiscal year begins on July 1st of each year and ends the following June 30th. The City's budget process commences in the fall of each year with the Capital Improvements Program budget. All capital spending of \$25,000 or more for items with useful lives of 3 years or longer are included in this budget. Based on City Council financing policy, items are identified for bonding, appropriation in the annual operating budget or other type of financing.

Items identified for the annual operating budget are included in the next City Manager's recommended annual budget. Departments are responsible for submitting their annual budget request to the City Manager. After reviews with the departments, the City Manager makes any final adjustments to his recommended budget. The City Manager's recommended annual budget for the next fiscal year, which includes the School Board request, is due to the City Council by April 15th of each year.

The City Council may add to, or cut from, the Manager's recommended annual budget by majority vote; however, the City Council must pass the budget by June 15th after separate public hearings for the City and School budgets and the budget becomes effective July 1. If the City Council does not adopt the budget by June 15th, the City Manager's recommended budget takes effect July 1.

After the original budget is adopted, the City Manager may make appropriation transfers within a non-school department or transfer between non-school departments with City Council approval. After initial adoption, the City Council may amend the budget by two-thirds vote.

Factors Affecting Financial Condition

Local Economy The local economic environment continues to demonstrate improvement over past fiscal year through growth in many sectors. Advanced manufacturing clusters, computer and staffing services, mixed use/multi-unit residential construction and healthcare related businesses have expanded and continue to be attracted to Dover. Retail businesses experienced mixed, but mostly positive results. While some restaurants have closed or sold over the past year, Dover continues to attract new restaurants and brewpubs with some traditional restaurants experiencing the challenges of increased competition.

Economic development activity continues to support local business retention and expansion. Financing for small businesses and startups, though challenged with increased banking regulations and slightly higher interest rates has improved moderately in the last fiscal year.

Through consistent outreach efforts, supported by pro-business attitudes within city government, convenient services for businesses and developers, and Dover's enhanced quality of life, over 80 new or expanded businesses have been attracted to Dover with 770 employees during the past six years.

Dover has benefited by geographic factors which create a positive location for Dover to prosper economically. Dover is halfway between Portland, ME and Boston, MA, thirty minutes from the ocean and an hour from the mountains. From a transportation perspective, Dover is close to the I-95 corridor and serviced by the AMTRAK Downeaster transit system. The regional proximity to UNH, Pease Tradeport, and the Portsmouth Shipyard add stability and diversity to the region's economic mix and enhance Dover as a viable business location.

Between 2000 and 2010, Dover was the fastest growing city in New Hampshire. It continues to be an attractive community for a younger median age of population, and with families. Dover continues to show a 10.4% growth rate in households with children under the age of eighteen. The labor force of Dover has continued to grow about 1% per year with slight variations above and below that trend line.

Dover's local current unemployment rate is 2.5% which is 0.6% lower than this time last year. The City's unemployment rate has consistently been lower than that of the United States as a whole, (5.1%) and the State of New Hampshire (2.9%).

In combination with the current economic environment and unemployment levels the median per capita income in Dover was \$32,315, median household income was \$60,038, and median family income was \$80,591.

Mixed use, manufacturing, residential, and public facility development has increased sharply during the fiscal year. This includes new manufacturing, office, and storage buildings on Sixth Street. The opening of a new Police Station combined with a public parking garage on part of the city's Orchard Street parking lot contributes to the vibrancy of the downtown area. The garage opened in November of 2015, with the Police Facility opening in March of 2016. The Cochecho Waterfront Development Advisory Committee has retained a consultant, Union Studio, to work with it to layout infrastructure plans and create a clean and developable parcel to market to the private sector for redevelopment. Smaller rehabilitation projects along Central Avenue have continued.

The First Street development, a \$10,100,000 mixed use development, is underway with Phase 1 completed with full residential occupancy. At full build out, the project is expected to provide a minimum of \$275,000 annual property tax revenue guaranteed for at least 24 years. The City continues to review opportunities to convert three other City-owned parking lots into sites for redevelopment. These downtown infill projects will continue to keep the City core vibrant. The City Council has reviewed and approved the sale and redevelopment of .35 acres of the Third Street Parking lot. This redevelopment will include residential and commercial uses on the site, as well as maintain approximately 30 parking spaces for use by the public.

To assist with private redevelopment of properties in downtown, the City Council passed a resolution to enable the City Council to review applications under the State's Community Revitalization Tax Credit program. This program allows private property owners to take advantage of a tax relief period in the immediate years following a redevelopment.

The City Council approved a Land Development Agreement with prospective developers of property bounded by Washington, Chestnut and Locust Streets. This mixed use project will construct a new intersection at Washington and Chestnut Streets as well as create a building with a post redevelopment assessed value of over eight (8) million dollars. The Council reviewed and approved an application for use in the Community Revitalization Tax Credit district for this project. The pre-redevelopment value of the property is approximately \$1,300,000. Post development value is guaranteed to reach a minimum of \$5,000,000, and increases in value to \$8,000,000 five years after reaching the \$5,000,000 level. The Planning Board reviewed and approved this site plan in 2016.

The Dover Business and Industrial Development Authority continues to search for appropriate sites for a second business park development. The funding for this business park has been approved in the FY2015 CIP. A new park would add depth to Dover's non-residential market, and would allow for more diversity in footprints, so that Dover would continue to be an attractive location for businesses looking for development sites ranging from 25,000 square feet buildings to over 100,000 square feet. Currently, Dover has not fully taken advantage of this potential but is making progress in acquiring two sites for this purpose.

The Exit 9 corridor off the Spaulding Turnpike, in addition to the 100,000 square feet medical practice building in full occupancy, now has a large dental facility and a dialysis center in operation, both with significant business success and full employment. This corridor, anchored by Liberty Mutual, continues to attract larger commercial and industrial users to the City and continues to be a benchmark for economic development activities. Two small strip malls and a large storage facility are currently under construction.

In 2015, the City Council approved a Land Development Agreement with a property owner on Mast Road, leading to approximately 400,000 square feet of Planning Board approved industrial space. The Mast Road development of 279,000 SF for Stonewall Kitchen's complex is completed, as well as a corrugated conversion building site for Rand-Whitney covering 129,000 SF has been completed. In addition, Stonewall Drive has been completed. A third development of 80,000 SF is still pending for the Mast Road location.

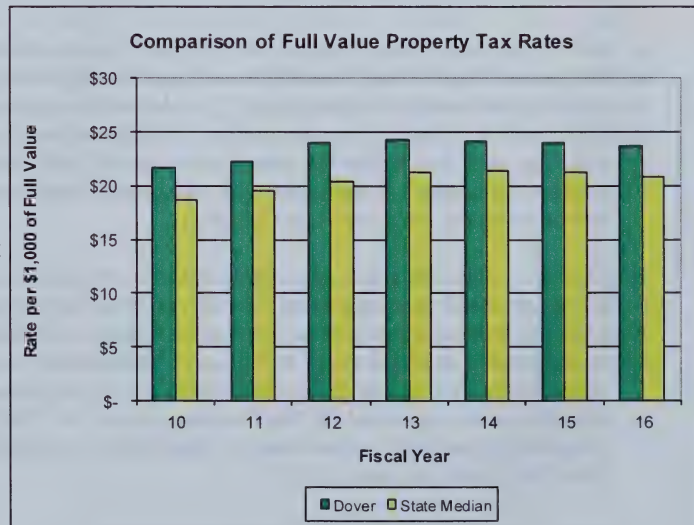
The City Council also approved a Land Development Agreement for a former McIntosh College property at 181 Silver Street. This public/private partnership will allow for the development of roadway infrastructure in association with a \$30 Million development incorporating a high-end assisted Living facility, a 5 story hotel, a medical practice building, a branch bank and a restaurant/ coffee shop on the site. A site plan was approved by the Planning Board in 2016, and site work is underway. The public roadway improvements are almost complete and the project is on track for a first phase to open in 2017.

The City Council also approved a land development agreement for a mixed use development on Pointe Place, located off Dover Point Road. This project includes single family homes, as well as 4 mixed use buildings, with 60,000 square feet of commercial space on the first floor, and apartments above. The public private partnership also include the construction of two multi-use ball fields, the donation of park land to the City and public access to conservation land located off Dover Point Road. The multi-use fields have been completed, the roadway base course is complete and foundations are being constructed for the mixed use buildings. The tax guaranteed value of the project is \$7,000,000 in tax year 2019, and \$17,000,000 in a tax year to begin 5 years after the mixed use building is completed.

Mixed use, manufacturing, residential, and public facility development has increased sharply during the fiscal year. This includes new manufacturing, office, and storage buildings on Sixth Street. The development of a new Police Station combined with a public parking garage on part of the city's Orchard Street parking lot will add to the vibrancy of the downtown area. The garage opened in November of 2015, with the Police Facility opening in March of 2016. The Cochecho Waterfront Development Advisory Committee is working on retaining a consultant to work with it to layout infrastructure plans and create a clean and developable parcel to market to the private sector for redevelopment. Smaller rehabilitation projects along Central Avenue have continued.

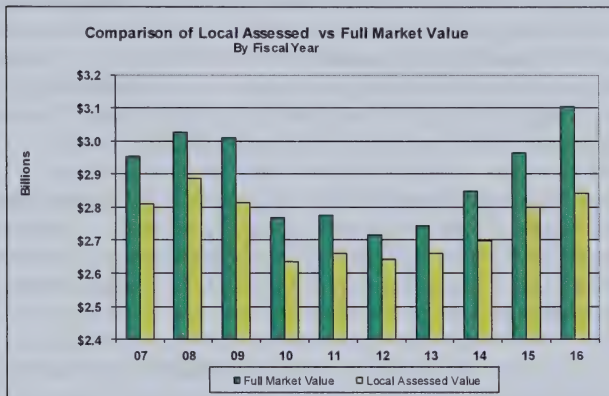
The number of motor vehicle registrations was consistent with 31,254 in FY16 as compared to 31,187 in FY15. The number of building permits decreased from 484 in FY15 to 461 in FY16 and the average permit value decreased from \$165,986 to \$127,036.

The City's full value property tax rate remained stable in comparison to the NH State median. The median reflects the mid-point of all rates in the State. Because Dover remains approximately at the median, this means that about half of the tax rates in the State are higher than Dover's and about half are lower. This is a good measure of tax burden as all municipal assessed values are brought to full market value and tax rates equalized.

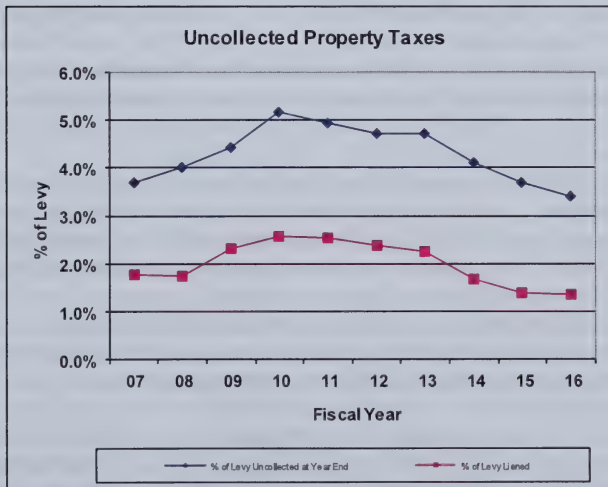


The real estate sales activity in Dover for FY2016 was 1,009 transactions versus 924 for FY2015. This level of activity represents transfers of 10.0% of taxable parcels during FY16, slightly higher than the level of 9.2% in FY15. In conjunction with this activity, the number of taxable parcels increased from 10,058 in FY15 to 10,092 in FY16, less than a 1% increase. The volume of taxable parcels in combination with an increase of property values has resulted in the estimated equalized property value per capita changing from \$96,117 for FY15 to \$99,979 in FY16, an increase of 4.0% for the fiscal year.

Full market value as determined by the NH Department of Revenue Administration



increased 4.73% during the fiscal year. Assessed value as a ratio of full market value was 94.3%. In fiscal year 2016 the City's assessed property values appeared to have increased based on sales data. As of April 1, 2016 the City's overall assessed values demonstrated a 5.2% increase in value over the prior year.



The percentage of uncollected taxes for the current tax levy at the end of fiscal year 2016 was 3.4% (the actual amount changed from \$2.6 million to \$2.5 million). There were 250 parcels from the current tax levy with outstanding taxes that had a lien placed, an increase from 245 last year. The number of delinquent parcels increased by 5, or 2.0 percent and the actual amount of the lien changed from \$1,011,252 to \$1,023,574.

Financial Position The City's General Fund ended Fiscal Year 2016 with an increase to its Unassigned Fund Balance of \$1,160,412 to \$16.5 million. The General Fund unassigned fund balance at June 30, 2016 was 15.3% of the FY17 budget (15% is the minimum requirement of the City Financial Policies). The Water

Unrestricted Net Assets		
Fund	FY16	FY15
General	16,529,005	15,368,593
Water	(624,742)	(224,964)
Sewer	(1,990,449)	(6,971,977)
Total	13,913,814	8,171,652

Fund saw a decrease in unrestricted net assets of \$399,778, from a deficit of \$224,964 to a deficit of \$624,742. The Water Fund decrease is primarily the result of investments in capital assets during FY2016. The City's water infrastructure is undergoing a system wide upgrade. The Sewer Fund saw an increase in unrestricted net assets of \$4.98 million, from a deficit of \$6,971,977 to a deficit of \$1,990,449. A significant portion of the change in unrestricted net assets of the Sewer Fund is the result of operations and investments in capital assets financed through the use of capital reserve funds set aside during prior fiscal years.

The liquidity of the General, Water and Sewer Funds is good and continues to show a favorable trend. This is based on the quick ratio which is a measure of current assets (excluding inventories) divided by current liabilities. The General Fund had a quick ratio of 1.28 with Water and Sewer Funds of 3.46 and 1.01, respectively. A ratio of 1 is considered satisfactory.

The amount of debt incurred by the City remains below the State statutory limits as set forth in RSA 33:4-a for the City and School District, and RSA 33:5-a for the Water Fund. There is no statutory debt limit for the Sewer Fund. The State statutory limit for the City is 3% of Base valuation as determined by the New Hampshire Department of Revenue Administration (NH DRA), the statutory limit for the School District is 7% of Base valuation as determined by NH DRA, and the statutory limit for the Water Fund is 10% of base valuation as determined by NH DRA. As of June 30, 2016 the City had utilized 54.6% of its statutory debt limit, the School District utilized 44.9% of its statutory debt limit, and the Water Fund had utilized 10.5% of its statutory debt limit.

The City Council established self-imposed policy limits that are significantly lower than those set by State statute. As of June 30, 2016 the percent of the City's more conservative debt policy used was 84.1%, the School was 100.0%. General Fund net debt per capita is at \$4,246, an amount considered reasonable for a municipality the size of Dover. The General Fund's net debt to equalized value is 4.23%. The General Fund's net debt service as a percent of budget is 10.6%. This measure is close to the 10% limit recommended by policy, it is partially as a result of a higher rate of debt pay down resulting in a favorable reduction in the cost for debt.

The Water fund is at 100% of the City Council self-imposed policy limit. The Sewer fund remained within the City Council self-imposed policy limits with 54.2% being utilized. Net debt service to budget in the Water Fund is 36.75% and 25.45% within the Sewer Fund, within the 40% set by policy.

In February 2016 Moody's reaffirmed the City's May 2014 Aa3 rating. In February 2016 Standard & Poor's reaffirmed the City's April 2015 AA+ rating.

Policy Monitoring, Long Term Financial Planning, and Responding to Economic Impacts

On April 27, 2011 the City Council adopted a resolution to implement a set of 32 financial policies. These adopted policies include maintaining all of the existing policy statements adopted in 1996 with updates to several of the benchmark indices. In addition, several new policy statements were also included reflecting the most current best practices identified by the Government Finance Officers Association and the National Advisory Council on State and Local Budgeting. On an annual basis the City Council is provided with a Financial Policy Scorecard documenting the City's compliance with benchmarks established in the policies.

The City Council routinely adopts fiscal initiatives to respond to the changes in the economy that have resulted in impacts such as declines to non-property tax revenues and the community's tolerance for tax increases. The City Council continues to limit the adoption of bonding authorizations to be consistent with the annual amount of debt being retired by the City's tax supported General Fund. The objective of this initiative is to move the City away from recurring debt financing and funding capital reserves at an appropriate level to move from debt financing certain capital outlay. These actions are consistent with the City's Debt Issuance and Management financial policies.

In Fiscal Year 2016, the City Council amended the City's financial policy relative to maintaining a minimum 8% unassigned fund balance in the General Fund to a level of 15%. A copy of the financial policies adopted by the City Council is available on the City's website.

The City Manager and City Department Directors conduct an on-going evaluation of fiscal operations to insure that expenditures are managed in concert with revenues to ensure General Fund Balance is maintained consistent with City policy limit of 15%. In FY2016 the City complied with the General Fund Balance policy by achieving an Unassigned Fund Balance of 15.3%. In response to past U.S. economic declines and the national rating agencies placing importance on municipalities increasing operating reserves, the City managed fiscal operations to increase General Fund operating reserves in FY2016.

In FY2016 the City was successful in contributing 25% of the actuarially calculated OPEB Annual Required Contribution to an established OPEB irrevocable trust. This action is consistent with the City's financial policy objective for managing and prefunding the City's OPEB obligations. FY2016 represents the fifth year in a row that the City has pre-funded a percentage of the OPEB Annual Required Contribution. As of June 30, 2016, \$4.1 million was in the OPEB Trust. In Fiscal Year 2017 the City anticipates contributing \$1.2 million into the OPEB Trust.

In FY2016 the City, consistent with financial policies, maintained sufficient annual contributions into the General Fund Capital Reserve, Water Fund Capital Reserve and Sewer Fund Capital Reserve.

The City recognizes the importance of a formal process for long term financial planning and forecasting. The City continues to utilize a formal forecasting software application to aid in financial planning. The City utilizes this tool to provide insight to evaluating policy recommendations. The software is utilized to provide formal fiscal forecasting reports complete with national, regional, and local economic overviews and a 5-year projection of both General Fund operations and tax levy impacts as part of the budget process.

Acknowledgements

This report continues to refine the financial reporting of the City. This is the twelfth year the City has produced a comprehensive annual financial report (CAFR).

In Fiscal Year 2016, the City implemented the provisions of Governmental Accounting Standards Board's (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. An actuarially determined liability of the City cost of medical benefits provided to retirees, and employees that will be eligible to receive such benefits upon retirement from the City, is incorporated into the financial statements and the footnotes.

This report also includes the continuing implementation of Governmental Accounting Standards Board's Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. The objective of Statement 54 is to improve the usefulness and understandability of governmental fund balance information by providing fund balance in more clearly defined categories.

This report includes the implementation of the provisions of GASB Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27, with respect to the State of New Hampshire Retirement System (NHRS).

This report also includes the implementation of the provisions of GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68, with respect to the State of New Hampshire Retirement System (NHRS).

The Government Finance Officers Association of the United States and Canada (GFOA) awarded twelve consecutive Certificates of Achievement for Excellence in Financial Reporting to the City of Dover, NH for its Comprehensive Annual Financial Report beginning for the fiscal year ended June 30, 2004 through June 30, 2015. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

This recognizes the City's Finance Department's efforts for full disclosure of the financial information of the City. A CAFR is a much more detailed reporting of the City's finances, as well as providing historical information in the statistical section of this report.

The Certificate of Achievement is valid for a period of one year only. The City believes that the current CAFR continues to meet the Certificate of Achievement Programs' requirement and it will be submitted to the Government Finance Officer's Association to determine its eligibility for another certificate.

The publication of the CAFR requires many staff hours to accomplish and would not have been possible without the dedication of the entire staff of the Finance Department. Credit must also be given to the Mayor and City Council for their continued support of the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,

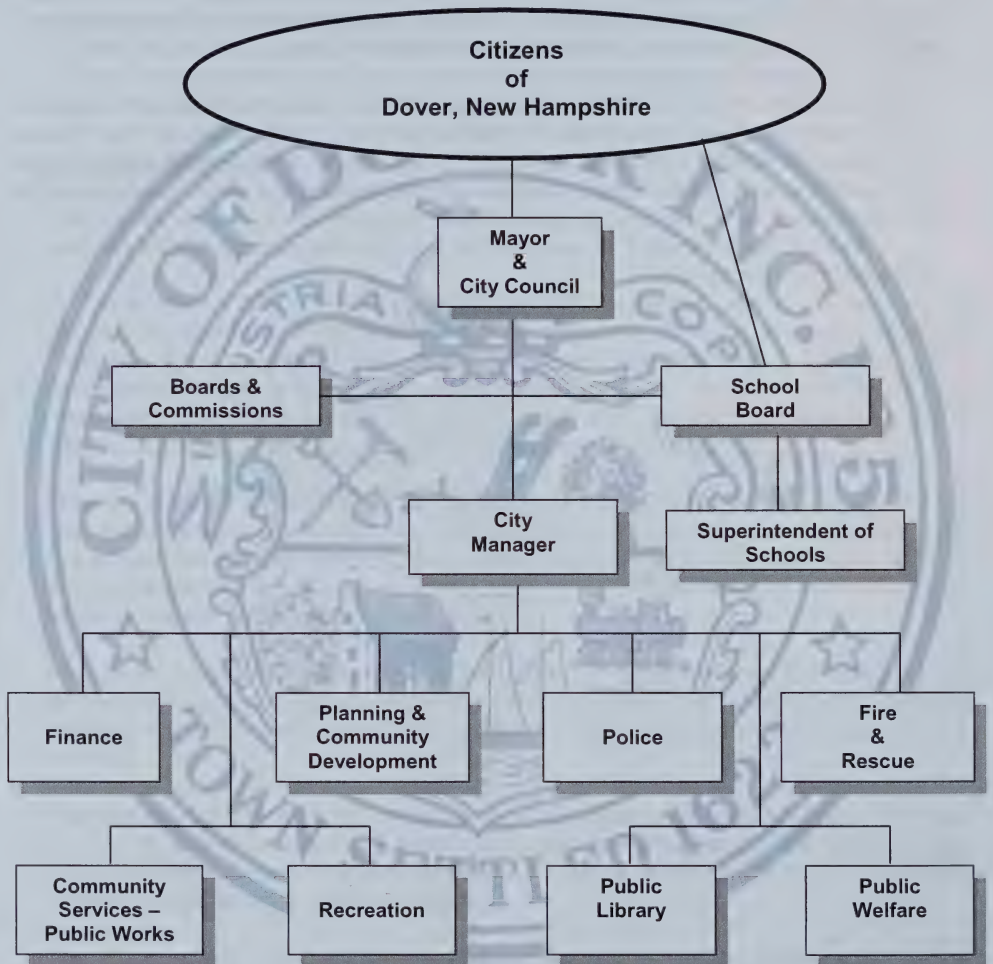
A handwritten signature in black ink, appearing to read "Jm Joyal".

J. Michael Joyal, Jr.
City Manager

A handwritten signature in black ink, appearing to read "Daniel R. Lynch".

Daniel R. Lynch
Finance Director

City of Dover Organizational Chart





City of Dover

New Hampshire

FISCAL YEAR 2016

City Council Members

Mayor: Karen Weston

Ward 1: John O'Connor

Ward 2: Dennis Ciotti

Ward 3: Deborah Thibodeaux

Ward 4: Marcia Gasses

Ward 5: Dennis Shanahan

Ward 6: Jason Gagnon

At Large: Robert Carrier

At Large: Sarah Greenshields

City Manager

J. Michael Joyal, Jr.

Departments

Finance

Planning

Police

Fire and Rescue

Community Services

Public Library

Recreation

Public Welfare

Daniel R. Lynch

Christopher G. Parker

Anthony F. Colarusso, Jr.

Eric Hagman

Douglas W. Steele, II

Cathy Beaudoin

Gary Bannon

Lena C. Nichols

School Board

At Large: Keith Holt

At Large: Matthew Lahr

At Large: Amanda Russell

At Large: Betsey Andrews Parker

At Large: Carolyn Mebert

At Large: Kathleen Morrison

At Large: Michelle Muffett-Lipinski

Student Liaison: Daniel Provencal-Fogarty

Superintendent of Schools

Elaine M. Arbour, Ed.D.



Government Finance Officers Association

**Certificate of
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Presented to

**City of Dover
New Hampshire**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO

FINANCIAL SECTION

Independent Auditors' Report

To the Mayor and City Council
City of Dover, New Hampshire

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Dover, New Hampshire, (the City), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Dover, New Hampshire, as of and for the year ended June 30, 2016 and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.



To the Mayor and City Council
City of Dover, New Hampshire

Change in Accounting Principle

As discussed in Notes 1, 16, and 23 to the financial statements, the City of Dover, New Hampshire adopted new accounting guidance; Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 19-32, the Schedule of funding Progress on page 85, the Schedule of Proportionate Share of the Net Pension Liability on page 87, and the Schedule of Contributions on page 88, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Dover, New Hampshire's financial statements. The introductory section on pages 1 - 12, supplementary statements and schedules on pages 97 - 146, and statistical tables on pages 149 - 174, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary statements and schedules are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The supplementary statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report, dated January 23, 2017, on our consideration of City of Dover's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Dover's internal control over financial reporting and compliance.

South Portland, Maine
January 23, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Dover, we offer readers this narrative overview and analysis of the financial activities of the City of Dover for the fiscal year ended June 30, 2016. We encourage readers to consider the information here in conjunction with additional information that we have furnished in our letter of transmittal.

A. OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City of Dover's basic financial statements. The basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements The government-wide financial statements are designed to provide readers with a broad overview of our finances in a manner similar to a private-sector business.

The statement of net position presents information on all assets, deferred outflows of resources, liabilities, and deferred inflows on resources with the difference between the four reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities include general government, public safety, highways and streets, sanitation, economic development, and culture and recreation.

The business-type activities include water and sewer utilities, and Dover Business and Industrial Development Authority (DBIDA) activities.

Fund financial statements A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. All of the funds can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Annual appropriated budgets are adopted for the general fund and certain nonmajor governmental funds. Budgetary comparison statements have been provided for these funds to demonstrate compliance with adopted budgets.

Proprietary funds Proprietary funds are maintained as follows:

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Specifically, enterprise funds are used to account for water and sewer utilities, and DBIDA operations. The operations of the arena were previously accounted for as an enterprise fund. In FY 2009 the City dissolved the Arena Fund into the General Fund.

Internal service funds are an accounting device used to accumulate and allocate costs internally among various functions. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. Internal service funds are used to account for central data processing, fleet management services, and workers compensation administration and claims, provided to other departments on the cost reimbursement basis. The City uses an OPEB internal service fund to centrally account for the pay-as-you go retiree's insurance costs paid by other departments in the city.

Proprietary funds provide the same type of information as the business-type activities reported in the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer utilities, and DBIDA operations, all of which are considered to be major funds. The operations of the arena were previously reported as a propriety fund. Fiscal Year 2016 represents the seventh year since the Arena Fund was dissolved into the General Fund. The Arena cumulative operating results, inclusive of related debt obligations, were revenues in excess of expenditures of \$118,052 during this seven year period.

Fiduciary funds Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the financial statements The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information, which is required to be disclosed by the *Governmental Accounting Standards Board*.

B. FINANCIAL HIGHLIGHTS

- As of the close of the current fiscal year, the total of assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$84,291,299 (i.e., net position), an increase of \$8,921,709 in comparison to the prior year, as restated.
- As of the close of the current fiscal year, total assets of governmental activities exceeded liabilities by \$21,984,642 (i.e., net position), an increase of \$6,371,725 in comparison to the prior year, as restated.
- At the end of the current year, total assets of business-type activities exceeded their liabilities by \$62,306,657, an increase of \$2,549,984 in comparison to the prior year, as restated.
- As of the close of the current fiscal year, governmental funds reported combined ending fund balances of \$102,831,682, an increase of \$55,709,507 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$16,529,005, an increase of \$1,160,412 in comparison with the prior year.
- Total long-term debt (i.e., bonds payable) at the close of the current fiscal year was \$174,204,876, an increase of \$74,105,156 in comparison to the prior year.

C. GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, change in net position may serve over time as a useful indicator of a government's financial condition. At the close of the most recent fiscal year, total net assets were \$84,291,299, an increase of \$8,921,709 from the prior year, as restated.

Financial Position The following is a summary of condensed government-wide financial data of net position for the current and the prior fiscal years.

NET POSITION

Amounts presented in 000s

	Governmental Activities		Business-Type Activities		Total	
Assets:	2016	2015	2016	2015	2016	2015
Current and Other Assets	\$ 121,621	\$ 64,678	\$ 17,787	\$ 18,115	\$ 139,408	\$ 82,793
Capital Assets	180,320	162,507	79,054	75,073	259,374	237,580
Total Assets	\$ 301,941	\$ 227,185	\$ 96,841	\$ 93,188	\$ 398,782	\$ 320,373
Deferred Outflows of Resources	11,651	5,850	1,008	404	12,659	6,254
Liabilities:						
Long-term Liabilities	\$ 265,740	\$ 174,003	\$ 27,212	\$ 27,412	\$ 292,952	\$ 201,415
Other Liabilities	15,269	14,205	7,671	3,720	22,940	17,925
Total Liabilities	\$ 281,009	\$ 188,208	\$ 34,883	\$ 31,132	\$ 315,892	\$ 219,340
Deferred Inflows of Resources	10,598	6,793	659	228	11,257	7,021
Net Position:						
Net Investment in Capital Assets	\$ 102,213	\$ 103,784	\$ 54,216	\$ 54,076	\$ 156,429	\$ 157,860
Restricted	5,017	5,113	9,583	11,744	14,600	16,857
Unrestricted (Deficit)	(85,246)	(93,284)	(1,492)	(6,063)	(86,738)	(99,347)
Total Net Position	\$ 21,984	\$ 15,613	\$ 62,307	\$ 59,757	\$ 84,291	\$ 75,370

By far, the largest portion of net position, \$156,429,327, reflects the City's investment in capital assets (e.g., land, buildings, machinery and equipment, and infrastructure), less depreciation and any related debt net of cash held that is used to acquire those assets that is still outstanding. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of net position, \$14,600,544 represents resources that are subject to external restrictions on how they may be used. The remaining net balance (deficit) represents unrestricted net position at the end of the fiscal year of \$(86,738,572).

The unrestricted net position balance consists of a deficit of \$85,246,101 for governmental activities and a deficit of \$1,492,471 for business-type activities. The governmental activities net position include the reflection of major liabilities of Bonds and Loans Payable of \$152,074,932, the Tolend Road Landfill mitigation of \$11,470,463, compensated absences of \$3,399,574, OPEB (Other post-employment benefits) obligations of \$42,401,884 as reported in accordance with new Government Accounting Standards Board's Statement 75, and Net pension liability of \$56,127,525, representing the City's estimated portion of the New Hampshire Retirement System's pension liability.

The \$11,470,463 for Tolend Road Landfill mitigation represents the post mitigation maintenance and monitoring costs. This estimated liability decreased by \$245,197 from the prior year. The post mitigation maintenance and monitoring costs represent a decrease based upon estimates derived from actual costs incurred during the prior three fiscal year period of FY2016 through FY2014. The maintenance and monitoring costs of \$11,470,463 (30-year estimated cost) are expected to be financed within the annual operating budget, as needed.

The \$3,399,574 for compensated absences represents the accrued employee leave benefits, payable as taken or at termination. This is an increase of \$161,500 from the prior year. The City has funded \$42,564 of the liability.

The \$42,401,884 OPEB liability represents the portion of the liability accrued to the governmental funds. This liability is based upon implementation of Governmental Accounting Standards Board (GASB) Statement No. 75. The purpose of the statement is to reflect the liability of health care or other post employment benefits provided to separated or retired employees. In accordance with GASB Statement No. 75 the liability reflected in the financial statements is the actuarial determined 30 year amortization of the total liability. City employees hired before specific dates may receive all or part of their health care benefits paid for by the City. City employees hired after the cut-off date are eligible on a self pay basis only but impact the premiums of the health plans of all City employees. School employees are self pay basis only but impact the premiums of the health plans of all School employees. The table below shows the number of eligible individuals involved in the calculation for both the City and School and the average total liability.

Group	Eligible Employees and Retirees	Average Total Liability per Person
City	350	\$ 138,692
School	386	2,602
Combined	<u>736</u>	<u>\$ 141,294</u>

In FY2014 the City established an irrevocable OPEB trust to pre-fund the City's actuarial determined liability. The City transferred an amount equal to 25% of the actuarial determined OPEB Actuarially Determined Contribution (ADC) to the OPEB Trust during FY2016. As of June 30, 2016 the City has \$4,043,172 in assets in the OPEB Trust. The City plans to contribute 30% of the ADC to the OPEB Trust in FY2017.

Please refer to the Financial Statement footnote 16 and Required Supplemental Information for more on the OPEB liability.

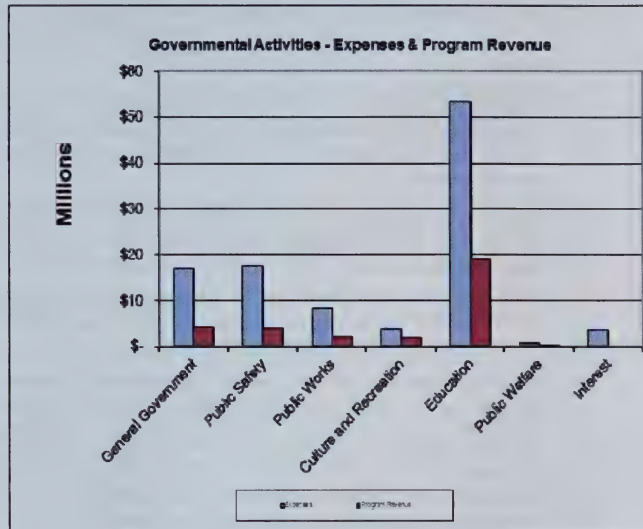
Financial Results The following is a summary of condensed government-wide financial data of changes in net position for the current fiscal and prior fiscal years.

<u>CHANGE IN NET POSITION</u>						
Amounts presented in 000s						
	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program revenues:						
Charges for services	\$ 14,755	\$ 15,004	\$ 11,927	\$ 11,487	\$ 26,682	\$ 26,491
Operating grants and contributions	15,357	14,649	-	-	15,357	14,649
Capital grants and contributions	674	707	51	1,287	725	1,994
General revenues:						
Property taxes	73,815	71,276	-	-	73,815	71,276
Motor vehicle registration	4,993	4,665	-	-	4,993	4,665
Penalties and interest on taxes	375	415	-	-	375	415
Investment income (loss)	242	188	26	19	268	207
Other	134	331	-	-	134	331
Total Revenues	110,345	107,235	12,004	12,793	122,349	120,028
Expenses:						
General government	16,885	16,958	-	-	16,885	16,958
Public safety	17,559	17,518	-	-	17,559	17,518
Public works	8,354	12,090	-	-	8,354	12,090
Culture and recreation	3,673	3,572	-	-	3,673	3,572
Education	53,314	50,402	-	-	53,314	50,402
Public Welfare	677	738	-	-	677	738
Interest on long-term debt	3,635	3,791	771	974	4,406	4,765
Water operations (1)	-	-	2,946	3,251	2,946	3,251
Sewer operations (1)	-	-	5,453	5,633	5,453	5,633
DBIDA operations	-	-	161	141	161	141
Total Expenses	104,097	105,069	9,331	9,999	113,428	115,068
Change in Net Position before Transfers	6,248	2,166	2,673	2,794	8,921	4,960
Transfers in (out)	123	(45)	(123)	45	-	-
Change in Net Position	6,371	2,121	2,550	2,839	8,921	4,960
Net Position - beginning of year, as restated	15,613	13,492	59,757	56,918	75,370	70,410
Net Position - end of year	<u>\$ 21,984</u>	<u>\$ 15,613</u>	<u>\$ 62,307</u>	<u>\$ 59,757</u>	<u>\$ 84,291</u>	<u>\$ 75,370</u>

(1) Excludes interest on long-term debt reflected separately.

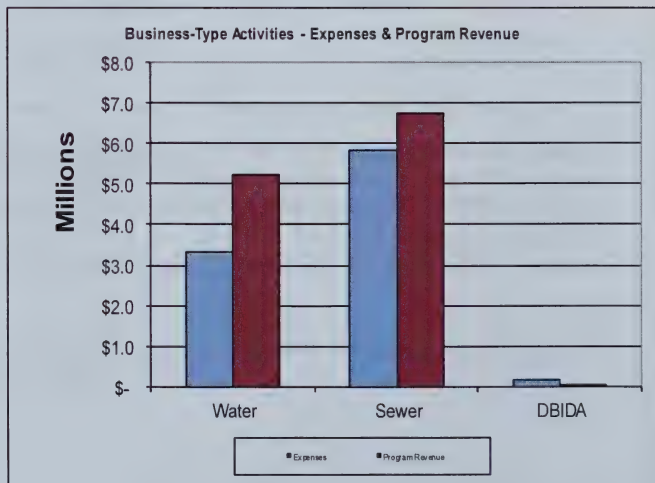
Governmental activities Governmental activities for the year resulted in an increase in net position of \$6,371,725. Governmental activities realized the following significant transactions:

- General Fund excess of revenues over expenditures of \$961,871.
- Acquisition of capital assets of \$24.8 million.
- A decrease in the OPEB Liability of \$4.1 million.
- An increase in the net pension liability of \$4.0 million.
- Decrease in the landfill post-closure liability of \$245,197.



Business-Type Activities Business-type activities for the year resulted in an increase in net position of \$2,549,984 or 4.3%. Key elements of this change are as follows:

- The Water Fund increased net position by \$1,880,633 or 8.4%. This consists mainly of operating activities resulting in income of \$2.1 million.
- The Sewer Fund had an increase in net position of \$680,178 or 1.9%. This consists mainly of an operating income of \$1,219,727.



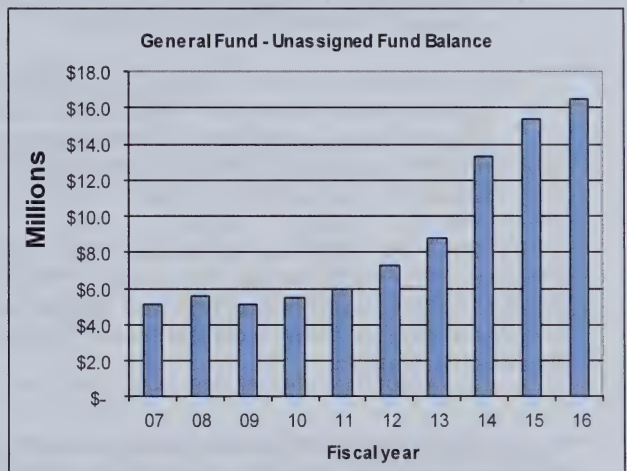
D. FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds The focus of governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, governmental funds reported combined ending fund balances of \$102,831,682, an increase of \$55,709,507 in comparison with the prior year. The General Fund change consists of an increase in the unassigned fund balance of \$1,160,412 and a decrease in non-spendable, committed and assigned balances of \$198,769.

The general fund is the chief operating fund. At the end of the current fiscal year, unassigned fund balance of the general fund was \$16,529,005, while total fund balance was \$19,510,736. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 15.33 percent of total general fund expenditures, while total fund balance represents 18.10 percent of that same amount.



The unassigned fund balance of the general fund increased by \$1,160,412, or 7.55%, during the current fiscal year. Key factors in this change are as follows:

- A net increase to fund balance of \$980,771 from excess of revenues and other sources over expenditures and other uses, consisting of \$85,985 of revenues under budget estimates (exclusive of Other Financing Sources) and \$577,296 of expenditures under budget estimates (exclusive of Other Financing Uses). Revenue items in excess of budget estimates consist mainly of \$30,105 in taxes and tax interest, \$494,530 for motor vehicle permits, and \$90,288 for building permits. Revenue shortfalls consist mainly of \$452,621 in sales and service charges, \$108,922 in intergovernmental reimbursements, and \$119,427 in Tuition revenue for the school district. Unencumbered appropriations consisted mainly of \$71,844 for General Government, \$53,258 for Public Safety, \$42,025 for Public Works, \$20,349 for Culture and Recreation, \$115,898 for Public Welfare and \$257,503 for Debt Service. The School Department had unencumbered appropriations of \$36,049.
- A decrease to fund balance of \$154,952 for an increase in deferred property tax revenue.
- A decrease to fund balance of \$6,153 for an increase in the reserve for advances to the McConnell Center Fund.
- An increase to fund balance of \$100,985 for a decrease of carryover appropriations reserved for future years capital outlay. In accordance with City Charter, capital outlay appropriations shall continue in force for three years or until the purpose for which the appropriation was made has been completed, whichever time period is shorter.

In FY 2015 the City Council adopted the City's FY2016 Capital Improvements Program. The FY16 Capital Improvement Projects Fund that was established to account for the Governmental Activities related projects, which includes a new high school and regional career technical center, is reported as a major fund in the FY2016 Financial Statements.

Proprietary funds Proprietary funds provide the same type of information found in the business-type activities reported in the government-wide financial statements, but in more detail.

Unrestricted net assets of the enterprise funds at the end of the year amounted to a deficit of \$1,492,471. This amount consists of the Water Fund with a deficit of \$624,742, the Sewer Fund with a deficit of \$1,990,449, and the Dover Business and Industrial Development Fund (DBIDA) with a balance of \$1,122,720.

Other factors concerning the finances of proprietary funds have already been addressed in the entity-wide discussion of business-type activities.

E. GENERAL FUND BUDGETARY HIGHLIGHTS

The differences between the original budget and the final amended budget resulted in an overall increase in appropriations of \$1,785,976. This consists of City Council adopted appropriations of \$2,529,752 for transfer to capital reserve fund of a portion of the bond premium received on the City's FY2016 bond issue, an adopted reduction in appropriations of \$1,102,501 to debt service as the City's FY2016 bond issue was deferred until the end of the fiscal year thereby avoiding an interest payment in FY2016, \$204,573 for abatements, and \$65,152 increase for intergovernmental payment to the county.

Unspent General Fund appropriations were due to several factors including consistent monitoring and managing of expenditures and a year-end level of under-expenditures (including transfers) of approximately less than 1%.

F. CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets Capital assets for governmental and business-type activities at year-end amounted to \$259,373,714 (net of accumulated depreciation), an increase of approximately \$21,793,221 from the prior year. This investment in capital assets includes land, buildings and system improvements, and machinery and equipment. The following yearly comparison shows net capital assets by category:

Capital Assets (000s) (net of depreciation)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Totals</u>	
	2016	2015	2016	2015	2016	2015
Land	\$ 14,842	\$ 14,842	\$ 1,785	\$ 1,785	\$ 16,627	\$ 16,627
Buildings and improvements	92,617	72,224	14,703	15,392	\$ 107,320	87,616
Machinery and equipment	7,781	8,346	5,105	5,804	\$ 12,886	14,150
Infrastructure	39,510	30,983	44,635	43,269	\$ 84,145	74,252
Construction in Progress	25,570	36,113	12,826	8,843	\$ 38,396	44,956
Total Assets	\$ 180,320	\$ 162,508	\$ 79,054	\$ 75,093	\$ 259,374	\$ 237,601

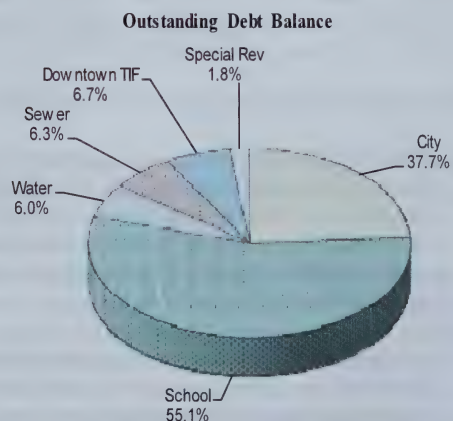
Major capital asset events during the current fiscal year included the following:

- Additions to Building and Improvements for governmental activities for the year included the completion of a new Police facility and Downtown Parking Garage, completion of the repairs to the City Hall roof, roof replacement at the Garrison Elementary School and flooring replacement at the Community Services facility located at Mast Road. The installation of energy efficient lighting at the indoor pool and the McConnell Center.
- Purchases of Machinery and Equipment included additional replacements of Self Contained breathing apparatus and associated refilling equipment along with the replacement of two command vehicles for the Fire department, Police department vehicle replacements, heavy equipment for snow removal and construction equipment for the Public Works department.

- The governmental activities infrastructure change includes additions for the reconstruction and repairs to several roads including Tolend Road, Stonewall Drive, Silver Street and railroad crossing improvements.
- The governmental activities construction in progress relates mainly to Public Works projects for the Tolend Road Landfill post-closure and mitigation project, the Coheco Dredge Cell Project, bridge replacement on Whittier Street. Street improvement projects in progress include Broadway Avenue, Nelson Street, Richardson Drive, Keating and Birchwood Streets.
- Increases to the Business-type activities infrastructure category include improvements on Mast Road, Stonewall Drive, Silver Street, Tolend Road, Watson Road, donation of water and sewer infrastructure for residential subdivisions at Emerald Woods and Olive Meadow, water system facilities upgrades, wellhead protection for the public water supply, inflow and infiltration and mitigation of storm-water runoff.
- The additions to the Business-type activities Construction in Progress Improvements are for Water and Sewer Mains located on or near the Spaulding Turnpike, Richardson Drive, Leighton Way, Ela and Pearl Streets. Improvements for the Water System Facilities, and Waste Water Treatment Plant for the EPA/NH Department of Environmental Services nitrate reduction and discharge permitting project.

Additional information on capital assets can be found in Note 9 of the Financial Statements.

Long-term debt At the end of fiscal year 2016, total long-term debt outstanding was \$174,204,876, a net increase of \$74,105,156 over the previous fiscal year end. All the long term debt was backed by the full faith and credit of the City.



Long-term Debt (000s)

	Governmental Activities		Business-Type Activities		Totals	
	2016	2015	2016	2015	2016	2015
General Obligation Bonds	\$ 151,559	\$ 77,193	\$ 17,586	\$ 18,185	\$ 169,145	\$ 95,378
Other Long Term Debt	516	267	4,544	4,454	5,060	4,721
Total Long-term Debt	\$ 152,075	\$ 77,460	\$ 22,130	\$ 22,639	\$ 174,205	\$ 100,099

During fiscal year 2016, the City issued \$73,900,000 in general obligation bonds related to governmental activities. The proceeds from the bonds, and \$2,680,080 of premium after payment of \$ 341,197 in underwriting fees, are financing the construction of a new high school and regional career technical center. The City bonds were rated Aa3 by Moody's Investors Service and AA+ by Standard and Poor's Rating Group. The City did not contract for the issuance of any policy of municipal bond insurance or any other credit enhancement facility. Competitive bids were solicited and the City received 10 bids on March 15, 2016. Hutchinson, Shockey, Erley & Co. based in Chicago was awarded the bid at a true interest cost of 3.1304 percent. The bonds were dated March 29, 2016 and mature June 15, 2041. Bonds maturing on or prior to June 15, 2026 shall not be subject to redemption prior to their stated maturity dates. Bonds maturing on or after June 15, 2026 shall be subject to redemption prior to maturity at the option of the City.

In May 2015 the City defeased a June 2006 general obligation bond and a June 2007 general obligation bond. The proceeds from the new issuance of general obligation bonds were used to purchase U.S. governmental securities, and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the refunded bonds matured. The June 2006 general obligation bond matured in June 2016. As of June 30, 2016 there is no outstanding defeased debt obligations for the June 2006 general obligation bond. The June 2007 general obligation bond matures in June 2017. As of June 30, 2016 the amount of outstanding defeased debt obligations for the June 2007 general obligation bond is \$9,445,000.

In November 2014 the City defeased a June 2005 general obligation bond. The proceeds from the new issuance of general obligation bonds were used to purchase U.S. governmental securities, and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the refunded bonds matured. The June 2005 general obligation bond matured in June 2015. As of June 30, 2016 there is no outstanding defeased debt obligations for the June 2005 general obligation bond.

Additional information on long term debt can be found in Note 12 of the Financial Statements.

G. NEXT YEAR'S BUDGETS AND RATES

The budget, tax levies and tax rates of the General Fund for the subsequent fiscal year have been formalized. The following table reflects the budget amounts, at the time of tax rate setting, for each year for the General Fund.

General Fund Budget				
	FY16	FY17	Increase (Decrease)	% Change
City	41,462,552	43,159,347	1,696,795	4.1%
School	50,379,684	56,132,239	5,752,555	11.4%
County	8,331,912	8,513,779	181,867	2.2%
Total Budget	100,174,148	107,805,365	7,631,217	7.6%

The following table reflects the property tax levy amounts for each year.

Property Tax Levies				
	FY16	FY17	Increase (Decrease)	% Change
City	28,461,123	29,853,757	1,392,634	4.9%
School - Local	29,582,715	30,985,059	1,402,344	4.7%
School - State	6,789,922	6,844,285	54,363	0.8%
Total School	36,372,637	37,829,344	1,456,707	4.0%
County	8,331,912	8,513,779	181,867	2.2%
Total Tax Levy	73,165,672	76,196,880	3,031,208	4.1%

The following table reflects the property tax rates for each year. The tax rate is stated per \$1,000 of assessed value.

Property Tax Rates				
	FY16	FY17	Increase (Decrease)	% Change
City	10.47	10.40	(0.07)	-0.7%
School - Local	10.65	10.59	(0.06)	-0.6%
School - State	2.49	2.39	(0.10)	-4.0%
Total School	13.14	12.98	(0.16)	-1.2%
County	3.00	2.91	(0.09)	-3.0%
Total Tax Rate	26.61	26.29	(0.32)	-1.2%

The budget and user fees of the utility funds for the subsequent fiscal year have been formalized. The following table reflects the original adopted budget amounts for each year for the Water and Sewer Funds.

Utility Funds	FY16	FY17	Increase (Decrease)	% Change
Water Fund	4,866,401	5,018,691	152,290	3.1%
Sewer Fund	7,331,712	7,506,400	174,688	2.4%
Total Utility Funds	12,198,113	12,525,091	326,978	2.7%

The following table reflects the utility rates per one hundred cubic feet (HCF) of water consumption for each year. (1 HCF = 748 gallons)

Utility Rates	FY16	FY17	Increase (Decrease)	% Change
Water Fund	4.77	4.84	0.07	1.5%
Sewer Fund	7.52	8.02	0.50	6.6%
Combined Rates	12.29	12.86	0.57	4.6%

Discussions of other financial and economic factors are included in the Transmittal Letter.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Dover's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Finance Director, City of Dover
Municipal Building
288 Central Avenue
Dover, New Hampshire 03820

The City of Dover's web site contains additional financial information at:

www.dover.nh.gov

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Statement of Net Position

June 30, 2016

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current:			
Cash and short-term investments	\$ 105,854,187	\$ 13,183,896	\$ 119,038,083
Investments	7,647,266		7,647,266
Receivables, net of allowance for uncollectibles:			
Property taxes	3,310,274		3,310,274
User fees		3,688,945	3,688,945
Departmental and other	1,976,042		1,976,042
Intergovernmental	1,194,886	18,373	1,213,259
Internal balances	919,967	(919,967)	
Inventory	159,573	464,708	624,281
Other assets	97,141		97,141
Total current assets	<u>121,159,336</u>	<u>16,435,955</u>	<u>137,595,291</u>
Noncurrent:			
Intergovernmental receivables, net		94,810	94,810
Loans receivable, net	461,756		461,756
Investment in land		1,256,732	1,256,732
Capital assets:			
Land and construction in progress	40,411,879	14,611,280	55,023,159
Capital assets, net of accumulated depreciation	<u>139,908,071</u>	<u>64,442,484</u>	<u>204,350,555</u>
Total non-current assets	<u>180,781,706</u>	<u>80,405,306</u>	<u>261,187,012</u>
Total Assets	<u>301,941,042</u>	<u>96,841,261</u>	<u>398,782,303</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>11,651,248</u>	<u>1,007,810</u>	<u>12,659,058</u>
LIABILITIES, DEFERRED INFLOWS AND NET POSITION			
Liabilities			
Current:			
Accounts payable	2,351,399	721,138	3,072,537
Accrued liabilities	6,154,860	147,737	6,302,597
Retainage payable	202,179	248,080	450,259
Due to fiduciary funds	6,111,924		6,111,924
Unearned revenue	115,863	6,554,633	6,670,496
Other current liabilities	332,502		332,502
Current portion of long-term liabilities:			
Claims liability	94,000		94,000
Bonds and loans payable	7,232,462	2,363,392	9,595,854
Compensated absences	<u>125,967</u>	<u>17,000</u>	<u>142,967</u>
Total current liabilities	<u>22,721,156</u>	<u>10,051,980</u>	<u>32,773,136</u>
Noncurrent:			
Claims liability, net of current portion	172,000		172,000
Bonds and loans payable, net of current portion	144,842,470	19,766,552	164,609,022
Compensated absences, net of current portion	3,273,607	155,685	3,429,292
Net pension liability	56,127,525	1,807,575	57,935,100
Other post-employment benefits liability	42,401,884	3,101,327	45,503,211
Liability for hazardous waste-site cleanup	<u>11,470,463</u>		<u>11,470,463</u>
Total non-current liabilities	<u>258,287,949</u>	<u>24,831,139</u>	<u>283,119,088</u>
Total Liabilities	<u>281,009,105</u>	<u>34,883,119</u>	<u>315,892,224</u>
DEFERRED INFLOWS OF RESOURCES	<u>10,598,543</u>	<u>659,295</u>	<u>11,257,838</u>
Net Position			
Net investment in capital assets	102,213,192	54,216,135	156,429,327
Restricted for:			
Nonexpendable trust principal	2,214,610		2,214,610
Expendable trust principal	224,212		224,212
City and school department grants and projects	2,578,729		2,578,729
Restricted for capital outlay		9,582,993	9,582,993
Unrestricted (deficit)	<u>(85,246,101)</u>	<u>(1,492,471)</u>	<u>(86,738,572)</u>
Total Net Position	<u>\$ 21,984,642</u>	<u>\$ 62,306,657</u>	<u>\$ 84,291,299</u>

See independent auditors' report.

The accompanying notes are an integral part of these financial statements.

Statement of Activities

For the Year Ended June 30, 2016

		Program Revenues		
		Charges for	Operating	Capital
Expenses		Services	Grants and	Grants and
			Contributions	Contributions
Governmental Activities:				
General government	\$ 16,885,122	\$ 2,963,873	\$ 1,098,935	
Public safety	17,558,603	3,149,192	724,912	
Public works	8,354,042	1,265,397	53,823	\$ 673,704
Culture and recreation	3,673,521	1,685,880	121,827	
Education	53,314,125	5,670,387	13,318,196	
Public welfare	677,251	20,252	39,128	
Interest	3,634,735			
Total Governmental Activities	104,097,399	14,754,981	15,356,821	673,704
Business-Type Activities:				
Water services	3,321,172	5,190,575		46,579
Sewer services	5,849,208	6,735,265		5,078
DBIDA services	161,027	1,200		
Total Business-Type Activities	9,331,407	11,927,040	-	51,657
Total	\$ 113,428,806	\$ 26,682,021	\$ 15,356,821	\$ 725,361

General Revenues:
Property tax
Motor vehicle registration tax
Penalties and interest
Unrestricted investment earnings
Other revenue
Transfers in (out)

Total general revenues

Change in Net Position

Net Position:
Beginning of year, restated

End of year

Net (Expenses) Revenues and Changes in Net Position		
Governmental Activities	Business- Type Activities	Total
\$ (12,822,314)		\$ (12,822,314)
(13,684,499)		(13,684,499)
(6,361,118)		(6,361,118)
(1,865,814)		(1,865,814)
(34,325,542)		(34,325,542)
(617,871)		(617,871)
<u>(3,634,735)</u>		<u>(3,634,735)</u>
<u>(73,311,893)</u>		<u>(73,311,893)</u>
	\$ 1,915,982	1,915,982
	891,135	891,135
	<u>(159,827)</u>	<u>(159,827)</u>
<u>-</u>	<u>2,647,290</u>	<u>2,647,290</u>
<u>(73,311,893)</u>	<u>2,647,290</u>	<u>(70,664,603)</u>
73,814,836		73,814,836
4,993,254		4,993,254
375,076		375,076
242,475	25,887	268,362
134,784		134,784
<u>123,193</u>	<u>(123,193)</u>	
<u>79,683,618</u>	<u>(97,306)</u>	<u>79,586,312</u>
6,371,725	2,549,984	8,921,709
<u>15,612,917</u>	<u>59,756,673</u>	<u>75,369,590</u>
<u>\$ 21,984,642</u>	<u>\$ 62,306,657</u>	<u>\$ 84,291,299</u>

Governmental Funds**Balance Sheet**

June 30, 2016

	General	CIP FY 16	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and short-term investments	\$ 97,432,335		\$ 8,421,852	\$ 105,854,187
Investments			7,647,266	7,647,266
Receivables, net of allowance for uncollectibles:				
Taxes	3,310,274			3,310,274
Departmental and other	1,000,106		922,810	1,922,916
Intergovernmental	2,812		1,193,501	1,196,313
Loans			461,756	461,756
Due from other funds		\$ 69,371,502	9,280,288	78,651,790
Advances to other funds	520,800			520,800
Inventory	4,711		79,592	84,303
Other assets	27,141		50,605	77,746
Total Assets	<u>\$ 102,298,179</u>	<u>\$ 69,371,502</u>	<u>\$ 28,057,670</u>	<u>\$ 199,727,351</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	989,793	505,192	808,896	2,303,881
Accrued liabilities	5,309,135		267,926	5,577,061
Retainage payable		8,791	193,389	202,180
Unearned revenues			116,380	116,380
Due to other funds	73,918,701		10,932,899	84,851,600
Advances from other fund			520,800	520,800
Compensated absences	78,727			78,727
Other liabilities	332,502			332,502
Total Liabilities	<u>80,628,858</u>	<u>513,983</u>	<u>12,840,290</u>	<u>93,983,131</u>
Deferred Inflows of Resources:				
Unavailable revenue - property taxes	2,158,585			2,158,585
Unavailable revenue - long-term receivables			753,953	753,953
Total Deferred Inflows of Resources	<u>2,158,585</u>	<u>-</u>	<u>753,953</u>	<u>2,912,538</u>
Fund Balances:				
Nonspendable	4,711		2,294,202	2,298,913
Restricted		68,857,519	5,919,121	74,776,640
Committed	623,698		12,011,928	12,635,626
Assigned	2,353,322			2,353,322
Unassigned	16,529,005		(5,761,824)	10,767,181
Total Fund Balances	<u>19,510,736</u>	<u>68,857,519</u>	<u>14,463,427</u>	<u>102,831,682</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 102,298,179</u>	<u>\$ 69,371,502</u>	<u>\$ 28,057,670</u>	<u>\$ 199,727,351</u>

See independent auditors' report.

The accompanying notes are an integral part of these financial statements.

Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities in the Statement of Net Assets

June 30, 2016

Total Governmental Fund Balances	\$ 102,831,682
<ul style="list-style-type: none"> Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 	180,319,950
<ul style="list-style-type: none"> Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the governmental funds. 	2,912,538
<ul style="list-style-type: none"> Deferred outflows/inflows of resources represent a consumption/acquisition of net position that applies to a future period, therefore will not be recognized as an expenditure or revenue until then, and therefore, are not reported in the funds. 	1,052,694
<ul style="list-style-type: none"> Internal service funds are used by management to account for Dover net, central stores, fleet maintenance and OPEB workers' compensation activities. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position. 	778,639
<ul style="list-style-type: none"> In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due. 	(562,450)
<ul style="list-style-type: none"> Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds: 	
Bonds payable	(144,106,811)
Bond premium	(7,968,121)
Compensated absences	(3,273,607)
Liability for hazardous waste-site cleanup	(11,470,463)
Other Post-Employment Benefits (OPEB) liability	(42,401,884)
Net pension liability	<u>(56,127,525)</u>
Net Position of Governmental Activities	\$ <u>21,984,642</u>

See independent auditors' report.

The accompanying notes are an integral part of these financial statements.

Governmental Funds**Statement of Revenues, Expenditures and Changes
in Fund Balances**

For the Year Ended June 30, 2016

	General	CIP FY 16	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$ 73,715,276		\$ 417,008	\$ 74,132,284
Licenses and permits	5,972,416		416,357	6,388,773
Intergovernmental	2,705,789		4,433,045	7,138,834
Current services	3,146,171		4,549,730	7,695,901
Education	13,666,548			13,666,548
Miscellaneous	863,746		891,248	1,754,994
Total Revenues	<u>100,069,946</u>		<u>10,707,388</u>	<u>110,777,334</u>
Expenditures:				
Current:				
General government	5,228,131	\$ 75,000	222,464	5,525,595
Public safety	15,893,783	173,500	14,563,185	30,630,468
Public works	6,113,751	381,141	5,123,420	11,618,312
Culture and recreation	3,192,983		1,296,419	4,489,402
Education	46,490,579	3,735,596	6,308,740	56,534,915
Public welfare	686,705		474,338	1,161,043
Intergovernmental - County tax	8,331,912			8,331,912
Debt service	10,042,578		1,120,715	11,163,293
Total Expenditures	<u>95,980,422</u>	<u>4,365,237</u>	<u>29,109,281</u>	<u>129,454,940</u>
Revenues over (under) expenditures	<u>4,089,524</u>	<u>(4,365,237)</u>	<u>(18,401,893)</u>	<u>(18,677,606)</u>
Other Financing Sources (Uses):				
Bond proceeds		73,000,000	900,000	73,900,000
Bond premium received	3,021,277			3,021,277
Transfers in	707,613	222,756	3,392,010	4,322,379
Transfers out	(6,856,543)			(6,856,543)
Total Other Financing Sources (Uses)	<u>(3,127,653)</u>	<u>73,222,756</u>	<u>4,292,010</u>	<u>74,387,113</u>
Net change in fund balances	961,871	68,857,519	(14,109,883)	55,709,507
Fund Balances, at Beginning of Year	<u>18,548,865</u>		<u>28,573,310</u>	<u>47,122,175</u>
Fund Balances, at End of Year	<u>\$ 19,510,736</u>	<u>\$ 68,857,519</u>	<u>\$ 14,463,427</u>	<u>\$ 102,831,682</u>

Statement of Revenues and Other Financing Sources, and Expenditures and Other Financing Uses - Budget and Actual - General Fund

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues and Other Sources:				
Taxes	\$ 72,716,813	\$ 73,685,172	\$ 73,715,276	\$ 30,104
Licenses and permits	5,439,940	5,339,940	5,968,644	628,704
Intergovernmental	2,289,044	2,212,505	2,103,582	(108,923)
Current services	3,679,041	3,579,041	3,126,420	(452,621)
Education	15,067,251	13,706,655	13,588,242	(118,413)
Miscellaneous	1,026,895	951,895	965,322	13,427
Transfers	647,940	647,940	569,677	(78,263)
Total Revenues	<u>100,866,924</u>	<u>100,123,148</u>	<u>100,037,163</u>	<u>(85,985)</u>
Other sources	140,000	140,000	137,935	(2,065)
Premium received from bonds issued		2,529,752	3,021,277	491,525
Total Other Sources	<u>140,000</u>	<u>2,669,752</u>	<u>3,159,212</u>	<u>489,460</u>
Total Revenues and Other Sources	<u>101,006,924</u>	<u>102,792,900</u>	<u>103,196,375</u>	<u>403,475</u>
Expenditures and Other Uses:				
General Government				
City Council	407,686	407,686	402,600	5,086
Executive	864,566	875,566	874,711	855
Finance	1,739,467	1,739,467	1,712,440	27,027
Planning	642,382	631,382	592,645	38,737
Miscellaneous general government	1,190,293	1,296,293	1,296,156	137
Total General Government	<u>4,844,394</u>	<u>4,950,394</u>	<u>4,878,552</u>	<u>71,842</u>
Public Safety				
Police	7,801,851	7,949,851	7,948,882	969
Fire	8,248,269	8,221,269	8,168,980	52,289
Total Public Safety	<u>16,050,120</u>	<u>16,171,120</u>	<u>16,117,862</u>	<u>53,258</u>
Community Services - Public Works	<u>6,652,331</u>	<u>6,348,331</u>	<u>6,306,306</u>	<u>42,025</u>
Culture and Recreation				
Recreation	2,095,972	2,084,972	2,065,621	19,351
Public Library	1,131,936	1,219,936	1,218,938	998
Total Culture and Recreation	<u>3,227,908</u>	<u>3,304,908</u>	<u>3,284,559</u>	<u>20,349</u>
Public welfare	<u>808,656</u>	<u>808,656</u>	<u>692,758</u>	<u>115,898</u>
Education	<u>46,687,263</u>	<u>46,776,263</u>	<u>46,740,214</u>	<u>36,049</u>
Debt Service				
Principal	7,010,776	6,924,776	6,784,173	140,603
Interest	4,391,806	3,375,305	3,258,405	116,900
Total Debt Service	<u>11,402,582</u>	<u>10,300,081</u>	<u>10,042,578</u>	<u>257,503</u>
Intergovernmental - County tax	<u>8,062,187</u>	<u>8,331,912</u>	<u>8,331,912</u>	
Transfers	<u>3,271,483</u>	<u>5,801,235</u>	<u>5,820,863</u>	<u>(19,628)</u>
Total Expenditures	<u>101,006,924</u>	<u>102,792,900</u>	<u>102,215,604</u>	<u>577,296</u>
Excess of revenues and other sources over expenditures	\$ <u>-</u>	\$ <u>-</u>	\$ <u>980,771</u>	\$ <u>980,771</u>

See independent auditors' report.

The accompanying notes are an integral part of these financial statements.

Proprietary Funds

Statement of Net Position

June 30, 2016

	Business-Type Activities Enterprise Funds				Governmental Activities Internal Service Funds
	Water Fund	Sewer Fund	DBIDA Fund	Total	
ASSETS					
Current:					
Cash and short-term investments	\$ 6,373,543	\$ 6,810,353		\$ 13,183,896	
User fees, net of allowance for uncollectibles					
Billed	726,442	839,726		1,566,168	
Unbilled	971,684	1,151,093		2,122,777	
Departmental and other receivables					\$ 53,128
Intergovernmental receivables		18,373		18,373	
Due from other funds					1,007,853
Prepaid expenses					20,000
Inventory	383,651	81,057		464,708	75,270
Total current assets	8,455,320	8,900,602	-	17,355,922	1,156,251
Noncurrent:					
Investment in land			\$ 1,256,732	1,256,732	
Intergovernmental receivable		94,810		94,810	
Capital assets:					
Land and construction in progress	1,659,931	12,951,349		14,611,280	
Other capital assets, net					
of accumulated depreciation	28,957,877	35,484,607		64,442,484	
Total noncurrent assets	30,617,808	48,530,766	1,256,732	80,405,306	-
Total Assets	39,073,128	57,431,368	1,256,732	97,761,228	1,156,251
DEFERRED OUTFLOWS OF RESOURCES	538,472	469,338		1,007,810	
LIABILITIES AND NET POSITION					
Liabilities					
Current:					
Accounts payable	307,820	412,836	482	721,138	48,933
Accrued liabilities	75,033	70,004	2,700	147,737	15,439
Retainage payable	1,841	246,239		248,080	
Unearned revenue	470,027	6,084,606		6,554,633	
Due to other funds	353,666	451,127	115,174	919,967	
Current portion of long-term liabilities:					
Claims liability					94,000
Bonds payable	1,122,033	1,241,359		2,363,392	
Compensated absences	5,000	12,000		17,000	47,240
Total current liabilities	2,335,420	8,518,171	118,356	10,971,947	205,612
Noncurrent:					
Claims liability, net of current portion					172,000
Bonds payable, net of current portion	9,818,204	9,948,348		19,766,552	
Compensated absences	54,265	86,945	14,475	155,685	
Net pension liability	718,395	1,089,180		1,807,575	
Other post-employment benefits liability	1,957,068	1,144,259		3,101,327	
Total noncurrent liabilities	12,547,932	12,268,732	14,475	24,831,139	172,000
Total Liabilities	14,883,352	20,786,903	132,831	35,803,086	377,612
DEFERRED INFLOWS OF RESOURCES	394,744	264,551		659,295	
Net Position					
Net investment in capital assets	20,093,372	34,122,763		54,216,135	
Restricted for capital outlay	4,864,874	4,716,938	1,181	9,582,993	81,425
Unrestricted (deficit)	(624,742)	(1,990,449)	1,122,720	(1,492,471)	697,214
Total Net Position	\$ 24,333,504	\$ 36,849,252	\$ 1,123,901	\$ 62,306,657	\$ 778,639

See independent auditors' report.

The accompanying notes are an integral part of these financial statements.

Proprietary Funds**Statement of Revenues, Expenses and Changes in Fund Net Position**

For the Year Ended June 30, 2016

	Business-Type Activities Enterprise Funds				Governmental Activities Internal Service Funds
	Water Fund	Sewer Fund	DBIDA Fund	Total	
Operating Revenues:					
Charges for services	\$ 4,961,889	\$ 6,451,471		\$ 11,413,360	\$ 1,860,956
Investment fees	139,784	214,950		354,734	
Other revenue	88,902	68,844	\$ 1,200	158,946	380,312
Total Operating Revenues	<u>5,190,575</u>	<u>6,735,265</u>	<u>1,200</u>	<u>11,927,040</u>	<u>2,241,268</u>
Operating Expenses:					
Personal services	1,052,570	1,616,546	148,675	2,817,791	2,155,540
Purchased services	377,419	592,458	9,080	978,957	346,904
Supplies	539,095	825,291	3,172	1,367,558	71,527
Minor equipment					108,613
Depreciation	897,884	2,189,075		3,086,959	
Other expenses	206,388	292,168	100	498,656	348,006
Total Operating Expenses	<u>3,073,356</u>	<u>5,515,538</u>	<u>161,027</u>	<u>8,749,921</u>	<u>3,030,590</u>
Operating Income (Loss)	<u>2,117,219</u>	<u>1,219,727</u>	<u>(159,827)</u>	<u>3,177,119</u>	<u>(789,322)</u>
Nonoperating Revenues (Expenses):					
Investment income	13,257	12,630		25,887	
Interest expense	(375,536)	(396,427)		(771,963)	
Contributed Infrastructure Assets	164,568	101,424		265,992	
Total Nonoperating Revenues (Expenses), Net	<u>(197,711)</u>	<u>(282,373)</u>		<u>(480,084)</u>	
Transfers In (Out)	(85,454)	(262,254)	149,000	(198,708)	1,262,890
Intergovernmental	<u>46,579</u>	<u>5,078</u>		<u>51,657</u>	<u>131,148</u>
Change in Net Position	1,880,633	680,178	(10,827)	2,549,984	604,716
Net Position at Beginning of Year, Restated	<u>22,452,871</u>	<u>36,169,074</u>	<u>1,134,728</u>	<u>59,756,673</u>	<u>173,923</u>
Net Position at End of Year	<u>\$ 24,333,504</u>	<u>\$ 36,849,252</u>	<u>\$ 1,123,901</u>	<u>\$ 62,306,657</u>	<u>\$ 778,639</u>

Proprietary Funds**Statement of Cash Flows**

For the Year Ended June 30, 2016

	Business-Type Activities Enterprise Funds				Governmental Activities Internal Service Funds
	Water Fund	Sewer Fund	DBIDA Fund	Total	
Cash Flows From Operating Activities:					
Receipts from customers and users for services	\$ 5,331,026	\$ 9,978,889		\$ 15,309,915	\$ 2,251,364
Receipts from customers and users for investment fees	228,686	283,794	\$ 1,200	513,680	
Payments to vendors and contractors	(1,203,937)	(1,773,663)	(12,434)	(2,990,034)	(2,265,896)
Payments of employee salaries and benefits	(1,217,237)	(1,676,055)	(146,014)	(3,039,306)	(1,269,184)
Receipts for interfund service provided	1,396,426			1,396,426	13,660
Payments for interfund service provided		2,386,529	8,248	2,394,777	(123,982)
Net Change in Operating Activities	<u>4,534,964</u>	<u>9,199,494</u>	<u>(149,000)</u>	<u>13,585,458</u>	<u>(1,394,038)</u>
Cash Flows From Noncapital Financing Activities:					
Transfers in			149,000	149,000	1,320,580
Transfers out	(85,454)	(262,254)		(347,708)	(57,690)
Intergovernmental subsidy					131,148
Net Change in Noncapital Financing Activities	<u>(85,454)</u>	<u>(262,254)</u>	<u>149,000</u>	<u>(198,708)</u>	<u>1,394,038</u>
Cash Flows From Capital and Related Financing Activities:					
Purchases of capital assets and land for investment	(1,573,812)	(5,207,398)		(6,781,210)	
Capital contributions - federal and state grants	15,000	5,078		20,078	
Principal payments on bonds and notes	(1,206,212)	(1,321,244)		(2,527,456)	
Decrease in deferred inflows and outflows	(33,231)	(148,571)		(181,802)	
Interest expense	(382,641)	(306,970)		(689,611)	
Net Change in Capital and Related Financing Activities	<u>(3,180,896)</u>	<u>(6,979,105)</u>		<u>(10,160,001)</u>	<u>-</u>
Cash Flows From Investing Activities:					
Investment income	13,257	12,630		25,887	
Net Change in Investing Activities	<u>13,257</u>	<u>12,630</u>	<u>-</u>	<u>25,887</u>	<u>-</u>
Net Change in Cash and Short-Term Investments	<u>1,281,871</u>	<u>1,970,765</u>		<u>3,252,636</u>	
Cash and Short-Term Investments, Beginning of Year	<u>5,091,672</u>	<u>4,839,588</u>		<u>9,931,260</u>	
Cash and Short-Term Investments, End of Year	<u>\$ 6,373,543</u>	<u>\$ 6,810,353</u>	<u>\$ -</u>	<u>\$ 13,183,896</u>	<u>\$ -</u>
Reconciliation of Operating Income (Loss) to Net Change in Operating Activities:					
Operating income (loss)	\$ 2,117,219	\$ 1,219,727	\$ (159,827)	\$ 3,177,119	\$ (789,322)
Adjustments to reconcile operating income (loss) to net change in operating activities:					
Depreciation	897,884	2,189,075		3,086,959	
Changes in assets and liabilities:					
User fees	(63,244)	(160,350)		(223,594)	
Inventory	(20,581)	17,563		(3,018)	(2,367)
Departmental and other receivables		15,924		15,924	(3,541)
Interfund receivables and payables	1,396,426	2,386,529	8,248	3,791,203	(110,322)
Other assets					117,854
Accounts payable	9,669	4,696	(82)	14,283	10,395
Accrued liabilities	(5,648)	(4,150)	(943)	(10,741)	(621,175)
Unearned revenue	432,381	3,671,844		4,104,225	
Retainage payable	(70,123)	(86,005)		(156,128)	
Compensated absences	16,062	18,672	3,604	38,338	4,440
Net pension liability	18,299	39,035		57,334	
Other post-employment benefits liability	(193,380)	(113,066)		(306,446)	
Net Change in Operating Activities	<u>\$ 4,534,964</u>	<u>\$ 9,199,494</u>	<u>\$ (149,000)</u>	<u>\$ 13,585,458</u>	<u>\$ (1,394,038)</u>
Supplemental disclosure of cash flow information:					
Noncash items related to capital and related financing activities					
Contributed infrastructure assets	\$ 164,568	\$ 101,424		265,992	
Forgiveness of long-term debt	31,579				

See independent auditors' report.

The accompanying notes are an integral part of these financial statements.

Fiduciary Funds

Statement of Fiduciary Net Position

June 30, 2016

	Agency Funds	Private Purpose Trust Funds	OPEB Irrevocable Trust Fund
ASSETS			
Cash and short term investments	\$ 309,849		
Due from other funds	<u>1,186,533</u>	<u>\$ 882,219</u>	<u>\$ 4,043,172</u>
Total Assets	<u>1,496,382</u>	<u>882,219</u>	<u>4,043,172</u>
LIABILITIES AND NET ASSETS			
Other liabilities	<u>1,496,382</u>	<u></u>	<u></u>
Total Liabilities	<u>1,496,382</u>	<u>-</u>	<u>-</u>
NET Position			
Total Net Position Held in Trust	<u>\$ -</u>	<u>\$ 882,219</u>	<u>\$ 4,043,172</u>

See independent auditors' report.

The accompanying notes are an integral part of these financial statements.

Fiduciary Funds

Statement of Changes in Fiduciary Net Position

For the Year Ended June 30, 2016

	Private Purpose Trust Funds	OPEB Irrevocable Trust Fund
Additions:		
Investment earnings	\$ 25,646	\$ 101,177
Total	<u>25,646</u>	<u>101,177</u>
Deductions:		
Disbursements by agent	21,671	
Management Service		22,180
Total deductions	<u>21,671</u>	<u>22,180</u>
Net increase	3,975	78,997
Other Financing Sources and Uses		
Transfers in		<u>1,469,982</u>
Net Change in Fund Balance	3,975	1,548,979
Net Position:		
Beginning of year	<u>878,244</u>	<u>2,494,193</u>
End of year	<u>\$ 882,219</u>	<u>\$ 4,043,172</u>

Notes to Financial Statements

June 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of Dover, New Hampshire (the City) conform to generally accepted accounting principles (GAAP) as applicable to governmental units. The following is a summary of the more significant policies:

Reporting Entity

The City is a municipal corporation governed by an elected mayor, eight-member council and an appointed City Manager. In evaluating the City as a reporting entity, management has addressed all potential component units for which the City may be financially accountable and, as such, should be included within the City's financial statements. In accordance with GASB Statement No. 14 as amended by GASB Statement No. 61, the City is financially accountable if it appoints a voting majority of the organization's governing board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City. Additionally, the City is required to consider other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the reporting entity's financial statements to be misleading. It was determined that no entities met the required criteria to be included as a component unit.

Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Notes to Financial Statements

June 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Fund Financial Statements

Governmental funds financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers property tax revenues to be available if they are collected within 60 days of the end of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government. Expenditures generally are recorded when liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The government reports the following major governmental funds:

The general fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Capital Improvements Program for fiscal year 2016 (CIP FY16) is used to account for the revenue from the bond proceeds and related expenditures for authorized projects.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The government reports the following major proprietary funds:

- The Water Fund accounts for the operation of a water treatment plant, city wells and water system
- The Sewer Fund accounts for the operation of a sewer treatment plant, pumping station and sewer lines.
- The Dover Business and Industrial Development Authority Fund (DBIDA) accounts for the economic development projects of the DBIDA, which operates under RSA 162-G.

Notes to Financial Statements

June 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Measurement Focus, Basis of Accounting, and Financial Statement Presentation – Continued

Fund Financial Statements – Continued

Additionally, the government reports the following fund types:

- Internal service funds account for data processing, fleet management services, workers compensation administration and claims, and other post-employment benefits (OPEB) liability expenses provided to other departments on the cost reimbursement basis.
- Fiduciary funds employ the same economic resources measurement focus and accrual basis of accounting as do proprietary funds. Agency funds, however, only report assets and liabilities, and, thus, have no measurement focus. The government also reports the following fiduciary funds:
- Agency funds account for fiduciary assets held by the City in a custodial capacity as an agent on behalf of others and includes the Chamber of Commerce, Performance Bonds, Department Agency, and School Agency.
- The Private-Purpose Trust Funds are used to account for trust arrangements, under which principal and investment income exclusively benefit individuals, private organizations, or other governments. Private Purpose Trust Funds held by the City include trust arrangements for Cemetery general care, Parks & Recreation program scholarships, Welfare benefits, and School scholarships.
- The OPEB Irrevocable Trust Fund is used to account for assets held by the City in a trustee capacity to provide for funding of the city's OPEB liability.

As a general rule and per the City's policy, the effect of interfund activity has been eliminated from the government-wide financial statements. The reimbursements from other funds included in internal service funds revenue are eliminated on the government-wide level to remove the "doubling up" effect of internal service activity.

Cash and Investments

The government's cash is considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. The New Hampshire Public Deposit Investment Pool (NHPDIP) operates in accordance with appropriate state laws and regulations and is under the control of the New Hampshire Banking Commission. The reported value of the pool is the same as the fair value of the pool shares. Participation units of the NHPDIP are considered short-term for financial presentation purposes. Investments are considered holdings of greater than three months and are reported at fair value.

City Funds

Under New Hampshire RSA 48:16, the City Treasurer may invest excess funds which are not immediately needed for the purpose of expenditure, in obligations of the United States government, in participation units in the public deposit investment pool established pursuant to RSA 383:22, in savings bank deposits of banks incorporated under the laws of the state of New Hampshire or in certificates of deposits and repurchase agreements of banks incorporated under the laws of the state of New Hampshire or in banks recognized by the state treasurer. At least yearly, the City Council shall review and adopt an investment policy for the investment of public funds in conformance with the provisions of applicable statutes. The significant sections of that policy are disclosed in Note 3.

Notes to Financial Statements

June 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Measurement Focus, Basis of Accounting, and Financial Statement Presentation – Continued

Trust Funds

Under New Hampshire RSA 34:5, capital reserve funds of the City shall be invested only by deposit in some savings banks or in the savings department of a national bank or trust company, or in the shares of a cooperative bank, building and loan association, or federal savings and loan association, in this state or in bonds, notes or other obligations of the United States government, in bonds or notes of this state, in such stocks and bonds as are legal for investment by New Hampshire savings banks, or in participation units in the public deposit investment pool established pursuant to RSA 383:22 by the trustees of the trust funds.

Under New Hampshire RSA 31:27, the city trustees of trust funds may establish, maintain and operate one or more common trust funds, in which may be combined money and property belonging to the various trusts in their care, for the purpose of facilitating investments, providing diversification and obtaining reasonable income; provided; however, that said, common trust funds shall be limited to the investments authorized in RSA 31:25; provided further, that not more than \$10,000 or more than 10 percent of the fund whichever is greater of any town or city common trust funds shall be invested under RSA 31:25 in the obligations of any one corporation or organization, excepting deposits in any federally or state-chartered bank or association authorized to engage in a banking business in this state, in credit unions in this state, or in obligations of the United States and of the state of New Hampshire and its subdivisions; or in participation units in the public deposit investment pool established pursuant to RSA 383:22, or in shares of open-ended mutual funds selected by the trustees for investment under RSA 31:25.

Under New Hampshire RSA 31:25, at least yearly, the trustees of trust funds shall review and adopt an investment policy for the investment of public funds in conformance with the provisions of applicable statutes. The significant sections of that policy are disclosed in Note 3.

Post-Employment Benefits Irrevocable Trust Fund

The City is the trustee, or fiduciary, for assets set aside and held in an irrevocable trust arrangement for the post-employment benefits. The City contributions to this fund are expensed to the OPEB Internal Service Fund.

Under New Hampshire RSA 31:19-c, the legislative body of a municipality that created an actuarial liability to pay other post-employment benefits (OPEB) to employees or officers after their termination of service may establish an irrevocable trust to pay those benefits. Deposits to any fund under such a trust and any earnings on those deposits shall be irrevocable and shall be held in trust for the exclusive benefit of the retirees and their beneficiaries in accordance with the terms of the plan. The trustees of any trust created pursuant to this section shall have the full power to invest, reinvest, and manage the assets of the trust. The trustees shall also diversify such investments so as to minimize the risk of larger losses unless under the circumstances it is clearly prudent not to do so.

Notes to Financial Statements

June 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Measurement Focus, Basis of Accounting, and Financial Statement Presentation – Continued

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the City uses various methods, including market, income and cost approaches. Based on these approaches, the City often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and/or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The City utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, the City is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

- Level 1 – Quoted prices for identical assets and liabilities traded in active exchange markets, such as the New York Stock Exchange.
- Level 2 – Observable inputs other than Level 1 including quoted prices for similar assets or liabilities, quoted prices in less active markets, or other observable inputs that can be corroborated by observable market data.
- Level 3 – Unobservable inputs supported by little or no market activity for financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

In determining the appropriate levels, the City performs a detailed analysis of the assets and liabilities. At each reporting period, all assets and liabilities for which the fair value measurement is based on significant unobservable inputs are classified as Level 3.

Interfund Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due from/to other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans).

Advances between funds are offset by a fund balance reserve accounting applicable governmental funds to indicate the portion not available for appropriation and not available as expendable financial resources.

Any residual balances between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Inventories

Inventories are valued at the lower of cost or market using the first-in/first-out (FIFO) method. The costs of inventories is recorded as an expense when consumed rather than when purchased.

Notes to Financial Statements

June 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Measurement Focus, Basis of Accounting, and Financial Statement Presentation – Continued

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$25,000 and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed. No interest was capitalized during 2016.

Property, plant, and equipment of the primary government is depreciated using the straight-line method over the following estimated useful lives:

Buildings	20 – 40 years
Building improvements	40 years
Building systems	15 – 24 years
Infrastructure	20 – 40 years
Water/sewer infrastructure	24 – 50 years
Vehicles	8 – 15 years
Office equipment	7 – 20 years
Computer equipment	5 – 10 years
Land improvements	15 – 20 years
Machinery and equipment	5 – 15 years
Books and collections	5 years

Compensated Absences

Depending on the union agreement, employees may be compensated for unused amounts of sick leave earned prior to June 30, 1993, ranging from 25% to 75% of accumulated time. Effective June 30, 1993, all non-education employees are awarded sick leave at a rate of 10 days per year, which lapses at year end.

Employees earn vacation leave as they provide services. Employees may carry over earned vacation days with some limitations (usually sixty days) and use compensatory time for unused balances upon termination with some limitations, usually 30 days.

All vested sick and vacation pay is accrued when incurred in the government-wide, proprietary and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

During fiscal year 2002, the City began funding the current vested portion of vacation and sick time for non-enterprise fund employees by establishing a capital reserve fund. The balance in the fund as of June 30, 2016 was \$102,897 held in cash accounts. The vested portion attributable to enterprise fund employees has been recorded in the respective fund.

Notes to Financial Statements

June 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Measurement Focus, Basis of Accounting, and Financial Statement Presentation – Continued

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has three items that qualify for reporting in this category. The City has deferred outflows related to the pension liability and the OPEB liability as is more fully disclosed in the related footnotes, and the other item is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two items that qualify for reporting in this category. They are the deferred inflows related to the pension liability and the OPEB liability as is more fully disclosed in the related footnotes. Also, the City has two items which arise under a modified accrual basis of accounting that qualifies for reporting in this category, unavailable revenue from property taxes and unavailable revenue from long-term receivables which is based on a recognition period adopted by the City. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

Notes to Financial Statements

June 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Measurement Focus, Basis of Accounting, and Financial Statement Presentation – Continued

Fund Balances

In the governmental fund financial statements fund balance is reported in five classifications.

Nonspendable fund balance	Nonspendable fund balance represents fund balance amounts that are not in spendable form, such as inventories and prepaid items or are legally or contractually required to be maintained intact.
Restricted	Resources with constraints placed on the use of resources are either a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.
Committed	Resources which are subject to limitations the government imposes upon itself at its highest level of decision making, and that remain binding unless removed in the same manner. The City Council is the highest level of decision-making authority for the City that can, by adoption of a resolution prior to the end of the fiscal year, commit a fund balance.
Assigned	Resources neither restricted nor committed for which a government has a stated intended use as established by the City Council or a body or official to which the City Council has delegated the authority to assign amounts for specific purposes. These funds, which include encumbrances, have been assigned for specific goods and services ordered but not yet paid for at year end. The City Council has by resolution authorized the City's management (the City Manager) to assign fund balance amounts to a specific purpose. This account also includes fund balance authorized by provisions of the City Charter to be used in a subsequent fiscal year.
Unassigned	Resources which cannot be properly classified in one of the other four categories. The General Fund should be the only fund that reports a positive unassigned fund balance amount. When fund balance is negative the amount is reported as unassigned.

The City's fund balance policy establishes that an amount equal to at least 8% of the City's most recent approved operating budget shall be established as a minimum unassigned fund balance.

Notes to Financial Statements

June 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Measurement Focus, Basis of Accounting, and Financial Statement Presentation – Continued

Net Position Flow Assumption

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund Balance Flow Assumptions

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements as flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Use of Estimates

The preparation of basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure for contingent assets and liabilities at the date of the basic financial statements, and the reported amounts of the revenues and expenditures/expenses during the fiscal year. Actual results could vary from estimates that were used.

Recent Accounting Pronouncements

In August 2015, the GASB issued GASB Statement No. 77, *Tax Abatement Disclosure*. This pronouncement established reporting standards for disclosure of information about the nature and magnitude of tax abatements. The new statement is effective for periods beginning after December 15, 2016.

Recently Adopted Accounting Pronouncements

In February 2015, the GASB issued GASB Statement No. 72, *Fair Value Measurement and Application*. This statement addresses the measurement of investments at fair value using consistent definition and valuation techniques and expands fair value disclosures in the financial statements and was adopted by the City as of June 30, 2016. The adoption of this statement is disclosed in Note 3.

In June 2015, the GASB issued GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefit Plan Other Than Pensions*. This statement improves accounting and financial reporting for OPEB. This statement replaces GASB Statement No. 45 and establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense. The adoption of this statement is disclosed in Notes 16 and 23.

Notes to Financial Statements

June 30, 2016

NOTE 2 – STEWARDSHIP COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

The City Manager submits his proposed operating budget to the City Council on or before April 15th. The operating budget includes proposed expenditures and the means of financing them. Annual budgets are legally adopted for the following funds: General, parking activity, residential solid waste, library fines, tuition programs, school alternative education, school facilities, McConnell Center, police DHA and school cafeteria. Proprietary funds with annually adopted budgets are water and sewer funds. Public hearings are conducted to obtain comments on the proposed budget. The final budget must be adopted by June 15th, but not earlier than seven days after a public hearing. A separate public hearing is held on the portion of the budget submitted by the School Board.

The City Manager may transfer budgeted amounts within each non-school Department without City Council approval. The City Manager may transfer budgeted amounts between non-school Departments only after obtaining approval from the Council. The Superintendent of the School Department may transfer budgeted amounts within the Department, as needed. The City Council may, after public hearings, appropriate additional amounts. The City Council must designate the source of such funds, except for emergency situations. All unencumbered appropriations, except those for capital expenditures or dedicated funds, lapse at the end of the fiscal year. Appropriation for capital expenditures remains in force for three years or until their purpose has been accomplished or abandoned.

Budgetary Basis

The General Fund's final appropriation appearing on the Budget and Actual page of the fund financial statements represents the final amended budget after all transfers and supplemental appropriations.

Budget/GAAP Reconciliation

The budgetary data for the general and special revenue funds is based upon accounting principles that differ from generally accepted accounting principles (GAAP). Therefore, in addition to the GAAP basis financial statements, the results of operations of the general fund and various special revenue funds are presented in accordance with budgetary accounting principles to provide a meaningful comparison with budgetary data. The following is a summary of adjustments made to the actual revenues and other sources, and expenditures and other uses, to conform to the budgetary basis of accounting.

	Revenues and other sources	Expenditures and other uses	Revenues and other sources over expenditures and other uses
General Fund			
Revenues/expenditures (GAAP basis)	\$100,069,946	\$ 95,980,422	\$ 4,089,524
Other financing sources/uses (GAAP basis)	3,728,890	6,856,543	(3,127,653)
	103,798,836	102,836,965	961,871
Reverse beginning of year appropriation carryforwards from expenditures		(905,179)	905,179
Reverse on-behalf payments	(602,206)	(602,206)	
Add end of year appropriation carryforwards to expenditures		1,051,068	(1,051,068)
Less expenditures from reserves and carryovers		(146,677)	146,677
Other adjustments	(255)	(18,367)	18,622
Budgetary Basis	\$ 103,196,375	\$ 102,215,604	\$ 980,771

Notes to Financial Statements

June 30, 2016

NOTE 2 – STEWARDSHIP COMPLIANCE AND ACCOUNTABILITY – CONTINUED

Excess of Expenditures Over Appropriations

Expenditures exceeded appropriations in the following areas:

Nonmajor Governmental Funds

Parking activity	\$ (14,200)
School Alternative Education	(4,507)
McConnell Center	(21,757)

Internal Service Funds

Fleet maintenance fund	\$ (12,447)
OPEB fund	(201,565)

Deficit Fund Equity

The individual projects within the following funds had deficits as of June 30, 2016:

Nonmajor Governmental funds

Special Revenue Funds:

Community Development	\$ (410,300)	(A)
Economic Development Loan Fund	(304,900)	(A)
Police DOT Fund	(17,050)	(A)
DHHS Assistance Programs	(12,098)	(A)
DOI Fund	(8,761)	(A)
EPA Fund	(8,063)	(A)
Dover Main Street Fund	(4,148)	(A)
McConnell Center	(519,311)	(B)
Recreation Field Maintenance Fund	(116,558)	(B)
Tuition Programs	(6,873)	(A)
School Alternative Education Fund	(82,179)	(A)

Capital Project Funds:

CIP FY17	(593,102)	(B)
CIP FY14	(123,998)	(B)
CIP FY13	(212,799)	(B)
CIP FY12	(452,648)	(B)
CIP FY10	(1,075,703)	(B)
CIP FY07	(469,543)	(B)
CIP FY06	(28,768)	(B)
CIP FY05	(420,870)	(B)
CIP FY04	(136,174)	(B)
CIP FY03, FY02, FY00	(120,472)	(B)
Tolend Road Landfill Closure	(637,506)	(B)

Internal Service Funds:

Workers Compensation Fund	(138,369)	(B)
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(A) The deficits in these funds will be eliminated through the future grant reimbursements.

(B) The deficits in these funds will be eliminated through future departmental revenues and transfers from other funds.

Notes to Financial Statements

June 30, 2016

NOTE 3 – CASH AND INVESTMENTS

Custodial Credit Risk

Custodial credit risk for deposits is the risk that in the event of a bank failure, the deposits may not be returned. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. None of the City's deposits or investments were exposed to custodial credit risk.

City Funds

The City's Investment Policy requires the use of security broker/dealers be based on credit-worthiness (a minimum capital requirement of \$100 million and at least five years of operation). Permitted investment per state law and the City's policy are U.S. Government Obligations, New Hampshire Public Deposit Investment Pool (NHPDIP), Certificates of Deposits in New Hampshire banks and overnight Repurchase Agreements whose underlying securities consist of U.S. Government Obligations, U.S. Government Agency Obligations or State of New Hampshire Obligations. Financial institutions where funds are kept on deposit, in CDs or Repurchase Agreements must meet the following criteria, minimum total assets of \$100 million, minimum of an average rating by a bank rating service, minimum ratio of equity capital to total assets of 5% and maximum ratio of non-performing assets to equity of 20%.

Full collateralization is required on non-negotiable CDs or overnight Repurchase Agreements. Repurchase Agreement collateral must consist of U.S. Government Obligations, U.S. Government Agency Obligations or State of New Hampshire Obligations.

Maximum maturity for an investment of City funds is six months. As of June 30, 2016, the City's bank balance of \$119,681,597 was fully insured or collateralized. Included in cash is \$71,937,158 of bond proceeds that is restricted for capital projects.

Trust Funds

The Investment Policy of the City's Board of Trustees of the Trust Funds permits deposits and investments in:

- Deposits in savings banks or the savings department of a national bank or trust company in the state of New Hampshire or in the NHPDIP.
- Shares of a building and loan association or cooperative bank, incorporated and doing business under New Hampshire law.
- Shares of any federal savings and loan association, located and doing business in New Hampshire.
- Certificates of deposits in New Hampshire.
- Bonds, notes or other obligations of the U.S. Government or the state, county, town, city, school district or water and sewer district.
- Stocks and bonds as are legal for investment by New Hampshire savings banks.
- Shares of mutual funds or money market mutual funds.
- The Board of Trustees of Trust Funds' standard for investing Common Trust Funds is the Prudent Investor Rule in accordance with RSA 31:25-d. To comply with the provisions of the Prudent Investor Rule, the Board engaged the services of an investment advisor.

Notes to Financial Statements

June 30, 2016

NOTE 3 – CASH AND INVESTMENTS – CONTINUED

Credit Risk

The City's Investment Policy and the Board of Trustees Investment Policy minimize credit risk by limiting investments to the safest types of securities as listed above, pre-qualifying institutions and diversifying the portfolio. In addition, they do not permit investments made with leveraging techniques, margin purchases or trading involving short selling. The Board of Trustees' Investment Policy also addresses specific ratio analysis and financial parameters for investments in stocks, bonds and mutual funds. In fiscal year 2016, the trust investments authorized to be managed by the Board's investment advisor were as follows:

Equity Investments

The Equity asset class may be comprised of individual securities, mutual funds and other pooled asset portfolios that are invested principally in equity securities of U.S. or international companies that have a proven record of earnings, growth, strong fundamentals and good valuations. These securities may be listed on registered exchanges, or actively traded in the over-the counter market, or considered to be restricted securities (provided that the percentage of the fund's assets invested in such securities conform to the investment instrument's prospectus).

Fixed Income Investments

The Fixed income asset class may be comprised of individual securities, mutual funds and other pooled assets portfolios that are invested principally in fixed income securities rated investment grade or better (rated in one of the four highest rating categories by a National Recognized Statistical Rating Organization (NRSRO) at the time of purchase), or, if not rated, are determined to be of comparable quality by the Investment Advisor or a mutual fund manager.

Cash Equivalent Reserves

Cash equivalent reserves shall consist of money market mutual funds that comply with Rule 2a-7 under the Investment Company Act of 1940, as amended, or in the New Hampshire Public Deposit Investment Pool.

Investments as of June 30, 2016 consisted of:

	Fair Value	Investment Maturities (in Years)			
		1 - 5	6 - 10	More than 10	No Maturity
Corporate Bonds	\$ 849,040	\$ 537,964	\$ 311,076		
Bond Funds	2,186,110				\$2,186,110
Common Stock and Mutual Funds	3,214,637				3,214,637
Money Market, less than one year	<u>1,397,479</u>	<u>1,397,479</u>			
Total Investments	<u>\$7,647,266</u>	<u>\$1,935,443</u>	<u>\$ 311,076</u>	<u>\$ -</u>	<u>\$5,400,747</u>

Notes to Financial Statements

June 30, 2016

NOTE 3 – CASH AND INVESTMENTS – CONTINUED

Cash Equivalent Reserves – Continued

Fair values of assets measured on a recurring basis at June 30 are as follows:

	Total	Level 1	Level 2	Level 3
June 30, 2016				
Corporate Bonds	\$ 849,040	\$ 849,040		
Bond Funds	2,186,110	2,186,110		
Common Stock and Mutual Funds	3,214,637	3,214,637		
Money Market, less than one year	1,397,479	1,397,479		
Total investments	<u>\$ 7,647,266</u>	<u>\$ 7,647,266</u>	<u>\$ -</u>	<u>\$ -</u>

There were no assets classified as level 2 or 3 as of June 30, 2016.

The City's investment in debt securities that require disclosure of credit risk were rated by Moody's, as follows:

Fixed income corporate bonds \$643,475 — Aaa; Fixed income corporate bonds \$205,564 — Aa thru A3; Bond funds \$1,307,346 — Aaa and \$878,765 below Aaa or not rated, with 66% of these funds (14% of the non-Aaa portion) rated A1 or better.

As of June 30, 2016, the City did not have investments in any one issuer that exceeded 5% of investments.

City Funds

The City's Investment Policy limits its exposure to concentration credit risk by limiting the types of investment securities that it holds to U.S. Government Obligations and by splitting its short term deposits between financial institutions that fully collateralize them and the NHPDIP that also collateralizes the deposits and fully insures them.

Trust Funds

It is the policy of the Trustees that common investments shall be diversified to eliminate the risk of loss resulting from over-concentration of assets in a specific maturity, industry or specific issuer. The Trustees' concentration of credit risk policy is as follows:

Approved Allocation Guidelines for Common Trust Assets

Cash	0% - 10%
Fixed Income	40% - 60%
Equities	40% - 60%
Inflation Hedge	0% - 10%

The Fixed Income allocation shall consist of 15% or less of high yield bond funds.

Common Trust Accumulated Income Assets

Cash	25% - 100%
Fixed Income	0% - 75%
Equities	0% - 35%

Notes to Financial Statements

June 30, 2016

NOTE 3 – CASH AND INVESTMENTS – CONTINUED

Trust Funds – Continued

The Fixed Income allocation shall consist of no investment into high yield bond funds. Investment into Fixed Income and Equities investments is only at specific direction of the Board of Trustees of Trust Funds.

Capital Reserve Funds

Cash	5% - 100%
U.S. Treasuries	0% - 60%
AAA Government Agencies	0% - 60%

In fiscal year 2016, all Capital Reserve Funds' investments were fully collateralized.

- No more than 10% of the portfolio (cost basis including cash and investments) shall be invested in the obligations of any one entity, corporation or organization exclusive of U.S. government or agency obligations. A mutual fund will be considered one entity.
- No more than 20% (market value basis) shall be invested in any one sector.
- About 10% of the portfolio should be kept in more liquid money market accounts.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

City Funds

The City minimizes the risk that the market value of securities will fall due to changes in general interest rates by structuring the portfolio so securities mature to meet the cash requirements for on-going operations, thus, avoiding the need to sell securities on the open market prior to maturity. The policy also provides for investing primarily in shorter-term securities including the local government investment pool.

Trust Funds

The Trust recognizes that investment risks can result from issuer defaults, market price changes or various technical complications leading to temporary loss of liquidity. Portfolio diversification is to be employed as a way to control risk. The Trustees' investment advisor is expected to use prudence in the selection of securities as a way to minimize default risk. No individual investment transaction shall be undertaken that jeopardizes the total capital position of the specific issuer. The Trustees' investment advisor shall review and, if appropriate, proceed to liquidate any securities having comparable credit risks.

Foreign Currency Risk

Specific investment in foreign securities is not permitted by either the City or Board of Trustees Investment Policies. Mutual Funds held by the Board of Trustees may have insignificant holdings in foreign securities.

The City and Board's policies also outline other specific investment criteria and are available for review at www.dover.nh.gov.

Notes to Financial Statements

June 30, 2016

NOTE 4 – TAXES RECEIVABLE

The City bills property taxes semi-annually, in October and April of the following year. Property tax revenues are recognized in the fiscal year for which taxes have been levied to the extent that they become available, i.e., due or receivable within the current fiscal year and collected within the current period or within 60 days of year-end.

Property taxes are due no earlier than December 1 and June 1 of the following year and must be due at least 30 days after bills are mailed. At the time of the tax lien, which the City usually places within 60 to 90 days after the second due date, a lien is recorded on the property at the Registry of Deeds. If the property taxes are not paid (redeemed) within two years and one day of the tax lien date, the property could be conveyed to the City by deed and subsequently sold at public auction or sealed bid.

The City annually budgets an amount (overlay for abatements) for property tax abatements and refunds. All abatements and refunds are charged to overlay. Prior to fiscal year 1996, the City was funding all abatement out of the current year appropriation regardless of the levy of the tax. During fiscal year 1996, the City began matching property tax abatements for individual levy years, with the tax revenue earned by the individual levy years. Management has reviewed accounts receivable for collectability and has determined that an allowance for uncollectable accounts is necessary based on history and aging of individual accounts.

Taxes receivable at June 30, 2016 are comprised of (in thousands):

Unredeemed taxes:

Levy of fiscal year 2016	\$	2,491
Levy of fiscal year 2015		593
Levy of fiscal year 2014		204
Levy of fiscal year 2013		6
Levy of fiscal year 2012		56
Levy of fiscal year 2011		150
Levy of fiscal year 2010		11
Levy of fiscal year 2009		2
Allowance for uncollectibles		(326)
		<u>3,187</u>

Other taxes:

Other miscellaneous taxes		123
	\$	<u>3,310</u>

Notes to Financial Statements

June 30, 2016

NOTE 5 – DEPARTMENTAL AND OTHER RECEIVABLES

Departmental and other receivables, as reported in the governmental funds represent ambulance, school detail, current use receivables and other reimbursements. Management has reviewed accounts receivable for collectability and has determined that an allowance for uncollectable accounts is necessary based on history and aging of individual accounts.

	Ambulance	Other Special Revenue	School	Other	Total
Gross	\$ 1,690,579	\$ 655,061	\$ 254,926	\$ 458,219	\$ 3,058,785
Less allowance for doubtful accounts	(1,135,869)				(1,135,869)
	<u>\$ 554,710</u>	<u>\$ 655,061</u>	<u>\$ 254,926</u>	<u>\$ 458,219</u>	<u>\$ 1,922,916</u>

NOTE 6 – INTERGOVERNMENTAL RECEIVABLES

The balance of \$1,193,501 reported in the nonmajor governmental funds represents amounts to be received on various expenditure driven grants.

The New Hampshire Department of Environmental Services annually reimburses the City for a portion of the principal and interest payments on Sanitary Sewer Funds bonds. The reimbursement is based upon the amount of the State's participation in the original sewer project. The amount due from the State in future years is as follows:

Fiscal Year Ended June 30,	Reimbursement For		
	Principal	Interest	Total
2017	\$ 13,915	\$ 4,458	\$ 18,373
2018	13,916	3,910	17,826
2019	10,860	3,358	14,218
2020	10,687	2,916	13,603
2021	10,687	2,479	13,166
Thereafter	48,660	6,146	54,806
	<u>\$ 108,725</u>	<u>\$ 23,267</u>	<u>\$ 131,992</u>

In the Sewer Enterprise fund, the City has accrued \$4,458 of interest due in fiscal year 2016, along with all principal as intergovernmental receivables at June 30, 2016.

NOTE 7 – LOANS RECEIVABLE

Loans receivable of \$732,122 in non-major governmental funds represent the uncollected balance of community development loans net of an allowance for uncollectable accounts in the amount of 270,366. Management determined the allowance is necessary based on history and aging of individual loans.

Notes to Financial Statements

June 30, 2016

NOTE 8 – INTERFUND FUND RECEIVABLES, PAYABLES, AND TRANSFERS

The City maintains self-balancing funds; however, most cash transactions flow through the general fund. In order to obtain accountability for each fund, interfund receivable and payable accounts must be utilized. The amount listed as advance to other funds, which is due to the general fund, is from the McConnell Center Fund and relates to cash flow hardship, and is not scheduled to be collected in the subsequent year. The following is an analysis of the June 30, 2016 balances in interfund receivable and payable accounts:

Fund	Due From Other Funds	Due to Other Funds	Advance to Other Funds	Advance From Other Funds
General Fund		\$ 73,918,701	\$ 520,800	
CIP FY 16	\$ 69,371,502			
Nonmajor Governmental Funds	9,280,288	10,932,899		\$ 520,800
Major Proprietary Funds:				
Enterprise Funds:				
Water		353,666		
Sewer		451,127		
DBIDA		115,174		
Nonmajor Proprietary Funds:				
Internal Service Funds	1,007,853			
Fiduciary Funds:				
Agency Funds	1,186,533			
Private Purpose Funds	882,219			
OPEB Irrevocable Trust Fund	4,043,172			
	<u>\$ 85,771,567</u>	<u>\$ 85,771,567</u>	<u>\$ 520,800</u>	<u>\$ 520,800</u>

Interfund transfers are used to move unrestricted general fund revenues to finance various programs that the City must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs. The following is an analysis of the June 30, 2016 interfund transfers:

Fund	Transfers In	Transfers Out
General Fund	\$ 707,613	\$ (6,856,543)
CIP FY16	222,756	
Nonmajor Governmental Funds	3,392,010	
Major Proprietary Funds:		
Enterprise Funds		
Water		(85,454)
Sewer		(262,254)
DBIDA	149,000	
Nonmajor Proprietary Funds		
Internal Service Funds	1,262,890	
OPEB Irrevocable Trust Fund	1,469,982	
Total Interfund Transfers	<u>\$ 7,204,251</u>	<u>\$ (7,204,251)</u>

Notes to Financial Statements

June 30, 2016

NOTE 9 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2016 was as follows (reported in thousands):

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, being depreciated:				
Buildings and improvements	\$ 114,345	\$ 23,301	\$ (203)	\$ 137,443
Machinery, equipment and furnishings	30,285	1,292	(290)	31,287
Infrastructure	84,955	11,140		96,095
Total capital assets, being depreciated	229,585	35,733	(493)	264,825
Less accumulated depreciation:				
Buildings and improvements	(42,121)	(2,761)	56	(44,826)
Machinery, equipment and furnishings	(21,939)	(1,793)	226	(23,506)
Infrastructure	(53,972)	(2,613)		(56,585)
Total accumulated depreciation	(118,032)	(7,167)	282	(124,917)
Total capital assets, being depreciated, net	111,553	28,566	(211)	139,908
Capital assets, not being depreciated:				
Land	14,842			14,842
Construction in progress	36,113	22,733	(33,276)	25,570
Total capital assets, not being depreciated	50,955	22,733	(33,276)	40,412
Governmental Activities Capital Assets, Net	<u>\$ 162,508</u>	<u>\$ 51,299</u>	<u>\$ (33,487)</u>	<u>\$ 180,320</u>
	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Capital assets, being depreciated:				
Buildings and improvements	\$ 39,315			\$ 39,315
Machinery, equipment and furnishings	15,705	\$ 239	\$ (70)	15,874
Infrastructure	71,197	2,826		74,023
Total capital assets, being depreciated	126,217	3,065	(70)	129,212
Less accumulated depreciation:				
Buildings and improvements	(23,923)	(689)		(24,612)
Machinery, equipment and furnishings	(9,901)	(938)	70	(10,769)
Infrastructure	(27,928)	(1,460)		(29,388)
Total accumulated depreciation	(61,752)	(3,087)	70	(64,769)
Total capital assets, being depreciated, net	64,465	(22)		64,443
Capital assets, not being depreciated:				
Land	1,785			1,785
Construction in progress	8,843	6,783	(2,800)	12,826
Total capital assets, not being depreciated	10,628	6,783	(2,800)	14,611
Business-Type Activities Capital Assets, Net	<u>\$ 75,093</u>	<u>\$ 6,761</u>	<u>\$ (2,800)</u>	<u>\$ 79,054</u>

Notes to Financial Statements

June 30, 2016

NOTE 9 – CAPITAL ASSETS – CONTINUED

Depreciation expense was charged to functions of the City as follows (in thousands):

Governmental Activities:	
General government	\$ 240
Public safety	915
Public works	3,723
Education	1,796
Culture and recreation	490
Public welfare	2
Total Depreciation Expense - Governmental Activities	<u>\$ 7,166</u>
Business-Type Activities:	
Water	\$ 898
Sewer	2,189
Total Depreciation Expense – Business-Type Activities	<u>\$ 3,087</u>

Notes to Financial Statements

June 30, 2016

NOTE 9 – CAPITAL ASSETS – CONTINUED

Construction Commitments:

Active construction in progress at June 30, 2016 and commitments outstanding consist of the following:

	Construction in Progress	Remaining Commitments
Government Activities:		
Tolend Road Landfill	\$ 12,933,677	
Cocheco Dredge Cell	3,674,466	\$ 68,224
Dover High Sch Fac Imp	3,336,738	6,263,556
Tolend Road – Landfill Closure	1,819,794	
Regional Voc Sch Fac Impr	1,102,778	1,913,704
Tolend Road – Bellamy Plume Trust	977,943	
Tolend Road – BioRemediation	791,836	
Street Reconstruction – Silver Street	187,852	466,308
Park Improvement – Henry Law	182,172	28,955
PW – Lisa Beth Drive & Circle Reconstruct	144,767	
Arena Locker Room & Foster Rink Imp	89,283	271,308
McConnell Building Improvements	82,543	
PW – Bridge Replacement – Whittier Street	65,247	5,871
PW – Street Reconstruct – Nelson Street	40,275	434,750
Street Reconstruction – Broadway RR Culvert	38,937	35,063
Street Reconstruction – Richardson Drive	24,165	61,550
Street Reconstruction – Keating/Birchwood	21,914	44,460
UNH PREP Grant	8,935	
City Hall Customer Service Center	8,000	
Downtown Parking Facility - Buildings		470,614
PW – Street Imprv & Sidewalk – Mast / Stonewall		270,833
Various other construction projects	38,606	1,364,800
Total Governmental Activities	<u>\$ 25,569,928</u>	<u>\$ 11,699,996</u>
Business-Type Activities:		
Sewer – WWTP Buildings	\$ 11,173,259	\$ 183,666
Water System Facility Upgrade	641,195	41,376
WWTP – Facility Upgrade 2013 CIP	233,017	49,805
Sewer Main – Spaulding Turnpike	206,590	25,796
Water Main Replacement – Spaulding Turnpike	140,296	250
Ireland Well Replacement	132,500	106,400
WWTP – Evaluation NPDES Permit	108,018	
Sewer Main – Richardson Drive	59,034	4,216
Sewer – Leighton Way Pump Station	32,080	38,133
Sewer – Ela, Pearl, Silver Street	26,621	53,885
Water Main Replacement Pgm	17,526	
LSWP - 254	16,028	79,323
Water Main – Silver Street	14,555	125,991
Various other sewer construction projects	16,426	329,704
Various other water construction projects	9,300	356,268
Total Business-Type Activities	<u>\$ 12,826,445</u>	<u>\$ 1,394,813</u>

Remaining commitments are expected to be funded by bond proceeds.

Notes to Financial Statements

June 30, 2016

NOTE 10 – ACCOUNTS PAYABLE

Accounts payable represent fiscal year 2016 invoices paid in the subsequent fiscal year.

NOTE 11 – ACCRUED LIABILITIES

Accrued liabilities in the general fund represent salaries earned but unpaid to City and School employees and other related payroll liabilities at year-end.

NOTE 12 – LONG-TERM DEBT

Long-Term Debt Supporting Governmental Activities

General obligation bonds, issued by the City for various municipal projects are approved by City Council and repaid with property taxes recorded in the General Fund and user fees recorded in Enterprise Funds. Compensated absences are repaid from the funds that the costs relate to, mostly the general fund, and also water, sewer, internal service, and other special revenue funds.

General Obligation Bonds and Loans

The City's general obligation bonds and loans are used to provide funds for the acquisition and construction of major capital facilities. General obligation bonds and loans have been issued for both governmental and business-type activities. The City has not issued any revenue bonds. All bonds and loans outstanding were used in calculating the net position invested in capital assets net of related debt. General obligation bonds and loans currently outstanding are as follows:

Description	Original Issue Amount	Rate	Maturity Date	Balance
Bonds Payable:				
New Middle School 1999	\$ 15,741,027	5.5800%	1/15/20	\$ 1,868,202
Public improvements 2002	2,240,600	4.2300%	6/15/22	260,000
Public improvements 2007	20,646,000	4.5000%	6/15/27	1,100,000
Public improvements 2008	9,970,000	4.0935%	12/15/28	5,875,000
Public improvements 2009	12,799,000	3.4417%	4/1/30	8,140,000
Public improvements refunding 2001	8,790,000	2.1535%	6/30/21	2,100,000
Public improvements refunding 2003 & 2004	17,530,000	2.3433%	6/15/32	11,910,000
Public Improvements	22,385,000	2.8090%	5/15/34	20,195,000
Public improvements - TIF	11,495,000	3.2670%	5/15/34	10,940,000
Public Improvements refunding 2005	4,425,000	1.7460%	7/1/25	3,905,000
Public Improvements refunding 2006 & 2007	19,590,000	2.0020%	6/15/27	19,590,000
Public Improvements 2016	73,900,000	3.1304%	6/15/41	73,900,000
Total Bonds Payable				159,783,202
Other Long-Term Debt				
CDFA Energy Improvement	250,000	2.4700%	12/31/20	132,616
State revolving loan – WWTP Aeration	279,157	1.7000%	2/1/22	167,494
State revolving loan – North End Pressure	4,000,000	2.7200%	11/1/32	3,457,096
Eversource SMART START – Arena	102,792	2.1200%	1/15/19	76,070
Eversource SMART START – Pool	29,995	2.1050%	1/31/22	27,320
Eversource SMART START – McConnell	116,264	2.2000%	12/31/22	112,255
River Street Pump Station	1,207,935	3.1680%	3/1/34	1,087,141
Total Other Debt Outstanding				5,059,992
Total Long-Term Debt				\$ 164,843,194

Notes to Financial Statements

June 30, 2016

NOTE 12 – LONG-TERM DEBT – CONTINUED

Future Debt Service

The annual principal and interest payments to retire all general obligation long-term debt outstanding as of June 30, 2016 are as follows:

Governmental	Principal	Interest	Total
2017	\$ 6,708,411	\$ 6,607,935	\$ 13,316,346
2018	6,644,253	5,858,084	12,502,337
2019	6,392,924	5,657,350	12,050,274
2020	6,593,966	5,484,879	12,078,845
2021	7,331,357	4,342,082	11,673,439
2022 – 2026	32,189,511	17,350,253	49,539,764
2027 – 2031	27,465,211	10,944,481	38,409,692
2032 – 2036	26,066,179	6,366,030	32,432,209
2037 – 2041	24,715,000	2,477,200	27,192,200
	<u>\$ 144,106,812</u>	<u>\$ 65,088,294</u>	<u>\$ 209,195,106</u>
Business-Type			
2017	2,244,238	736,824	2,981,062
2018	2,220,033	661,689	2,881,722
2019	1,949,080	587,308	2,536,388
2020	1,889,482	524,472	2,413,954
2021	1,702,701	458,625	2,161,326
2022 – 2026	6,463,794	1,408,694	7,872,488
2027 – 2031	3,363,145	421,684	3,784,829
2032 – 2036	903,909	44,887	948,796
	<u>20,736,382</u>	<u>4,844,183</u>	<u>25,580,565</u>
Total Future Debt Service	<u>\$ 164,843,194</u>	<u>\$ 69,932,477</u>	<u>\$ 234,775,671</u>

The City's proprietary fund future debt service is partially funded by the state as described in Note 6. The governmental future debt service relating to school construction is partially funded by the New Hampshire Department of Education School Building Aid, which is annually appropriated by the state.

Bond Authorizations

Long-term debt authorizations which have not been issued or rescinded as of June 30, 2016 are as follows:

Purpose	Amount
Parking lot Improvements	\$ 160,765
Public Improvements - FY12	755,000
Public Improvements - FY13	1,700,000
Public Improvements – FY14	12,060,607
Public Improvements – FY15	7,000,000
Public Improvements – FY16	9,658,633
Public Improvements – FY17	32,783,000
	<u>\$ 64,118,005</u>

Notes to Financial Statements

June 30, 2016

NOTE 12 – LONG-TERM DEBT – CONTINUED

Maximum Debt Limit

The City is subject to state law which limits debt outstanding to a percentage (depending on how funds will be used) of its last full state valuation. Debt incurred for state required sewerage systems is not subject to the limit. The following is a summary, by purpose, of the outstanding debt of the City at June 30, 2016 and related limitations. These limits are based on the tax year 2015 base valuations for debt limits of \$3,101,733,726 provided by the State Department of Revenue Administration.

Purpose	Percent of State Assessed Value	Maximum Debt Limit	Applicable Bonds Outstanding at June 30, 2016
Municipal	3%	\$ 93,052,012	\$ 36,593,825
School	7%	217,121,361	90,488,021
Water	10%	310,173,373	10,320,193
DBIDA - IP	0%	4,000,000 *	
DBIDA - IB	0%	1,000,000	
DBIDA - Projects	8%	223,577,434	
Not subject to limitation	0%		27,441,155
			<u>\$ 164,843,194</u>

*Debt limit is set by special legislation.

Changes in General Long-Term Liabilities

During the year ended June 30, 2016, the following changes occurred in long-term liabilities (in thousands):

	Total Balance 7/1/15	Additions	Reductions	Total Balance 6/30/16	Less Current Portion	Long-Term Portion 6/30/16
Governmental Activities						
Claims liability	\$ 887		\$ (621)	\$ 266	\$ (94)	\$ 172
Bonds and loans payable	77,453	\$ 74,046	(7,392)	144,107	(6,709)	137,398
Bond premium	5,350	3,021	(403)	7,968	(524)	7,444
Net Pension Liability	52,103	4,025		56,128		56,128
Other:						
Compensated absences	3,238	1,302	(1,140)	3,400	(126)	3,274
OPEB liability	46,495		(4,093)	42,402		42,402
Liability for hazardous waste-site cleanup	11,716		(245)	11,471		11,471
	<u>\$ 197,242</u>	<u>\$ 82,394</u>	<u>\$ (13,894)</u>	<u>\$ 265,742</u>	<u>\$ (7,453)</u>	<u>\$ 258,289</u>

Business-Type Activities

Bonds and loans payable	\$ 23,176		\$ (2,440)	\$ 20,736	\$ (2,244)	\$ 18,492
Bond premium	1,513		(119)	1,394	(119)	1,275
Net Pension Liability	2,024		(216)	1,808		1,808
Other:						
Compensated absences	134	131	(92)	173	(17)	156
OPEB liability	3,401		(300)	3,101		3,101
	<u>\$ 30,248</u>	<u>\$ 131</u>	<u>\$ (3,167)</u>	<u>\$ 27,212</u>	<u>\$ (2,380)</u>	<u>\$ 24,832</u>

Notes to Financial Statements

June 30, 2016

NOTE 12 – LONG-TERM DEBT – CONTINUED

The net other post-employment benefit liability and compensated absences liability are liquidated by the proportional share of the obligation by the General Fund, Water Fund and Sewer Fund.

Contingent Debt Obligation

The City received funding for a Sewer capital project and a Water capital project from the State of New Hampshire through a revolving renovation loan fund for which up to fifteen percent of the amount drawn by the City will be covered by a Federal grant. The City will be obligated to repay the amount drawn over a period of 20 years, plus interest at 2.72%. The City made the decision to defer the entire amount of the reimbursements until the loan agreements are finalized. As of June 30, 2016, the City has received \$6,463,890 and \$442,866 of reimbursements related to the Sewer and Water projects, respectively. The projects are expected to be completed during fiscal year 2017, and the City will then finalize a loan agreement with the State of New Hampshire.

New Debt Issuance

During fiscal year 2016, the City issued \$73,900,000 in general obligation bonds related to governmental activities. The proceeds from the bonds, and \$3,021,277 of premium net of \$ 341,197 in underwriting fees, are financing the construction of a new high school and regional career technical center. The City bonds were rated Aa3 by Moody's Investors Service and AA+ by Standard and Poor's Rating Group. The City did not contract for the issuance of any policy of municipal bond insurance or any other credit enhancement facility. Competitive bids were solicited and the City received 10 bids on March 15, 2016. Hutchinson, Shockey, Erley & Co. based in Chicago was awarded the bid at a true interest cost of 3.1304 percent. The bonds were dated March 29, 2016 and mature June 15, 2041. Bonds maturing on or prior to June 15, 2026 shall not be subject to redemption prior to their stated maturity dates. Bonds maturing on or after June 15, 2026 shall be subject to redemption prior to maturity at the option of the City.

Defeased Debt

In November 2014, the City defeased a June 2005 general obligation bond. The proceeds from the new issuance of general obligation bonds were used to purchase U.S. governmental securities, and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the refunded bonds matured. The June 2005 general obligation bond matured in June 2015. As of June 30, 2016, there are no outstanding defeased debt obligations for the June 2005 general obligation bond.

In May 2015, the City defeased a June 2006 general obligation bond and a June 2007 general obligation bond. The proceeds from the new issuance of general obligation bonds were used to purchase U.S. governmental securities, and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the refunded bonds matured. The June 2006 general obligation bond matured in June 2016. As of June 30, 2016, there are no outstanding defeased debt obligations for the June 2006 general obligation bond. The June 2007 general obligation bond matures in June 2017. As of June 30, 2016, the amount of outstanding defeased debt obligations for the June 2007 general obligation bond is \$9,445,000.

Notes to Financial Statements

June 30, 2016

NOTE 12 – LONG-TERM DEBT – CONTINUED

Competitive bids were solicited and the City received 5 bids on April 22, 2015. Hutchinson, Shockey, Erley & Co. was awarded the bid at a true interest cost of 2.0019 percent. The refunding bonds were dated May 5, 2015 and mature June 15, 2027. The refunding bonds are subject to redemption prior to their stated maturity dates. Bonds maturing on or after June 15, 2026 are subject to redemption at the option of the City.

The proceeds of \$19,590,000, plus a \$456,603 cash contribution made by the City, and \$2,749,837 of reoffering premium after payment of \$226,696 in underwriting fees and other issuance costs, were used to purchase U.S. governmental securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the June 15, 2006 general obligation bonds in the aggregate principal amount of \$11,490,000 and on the June 15, 2007 general obligation bonds in the aggregate principal amount of \$9,445,000. As a result, the June 15, 2006 general obligation bonds maturing on or after June 15, 2016 are considered to be defeased and the \$8,771,000 liability for those bonds has been removed from the general long-term debt account and the \$2,719,000 liability for those bonds has been removed from the business-type activity funds. Additional as a result, the June 15, 2007 general obligation bonds maturing on or after June 15, 2017 are considered to be defeased and the \$8,320,000 liability for those bonds has been removed from the general long-term debt account and the \$1,125,000 liability for those bonds has been removed from the business-type activity funds.

The City advance refunded the June 15, 2006 and June 15, 2007 general obligation bonds to reduce its total debt service payments over the next 12 years by almost \$2,091,491, and to obtain an economic gain of \$1,850,505 representing the difference between the present values of the debt service payments on the old and new debt. The reacquisition price exceeded the carrying amount of the old debt by \$1,178,141. This amount is being amortized over the remaining life of the refunding debt.

NOTE 13 – LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

The City owned and operated a 55-acre landfill on Tolend Road from 1960 to 1979. On September 10, 1991, the Environmental Protection Agency issued a Record of Decision (ROD) on the closure of the site, including the City as a Potentially Responsible Party (PRP). The estimated cost of the original ROD for closure and post closure maintenance was \$34,612,296. The City was responsible for 42.68% of the costs. The City negotiated its preliminary share at \$8,166,666 of the first \$20 million. Thirty-two PRPs made final settlement on all costs related to the closure with EPA. Based on this information, the City established an estimated \$11,016,013 liability for its share of the capping and management of mitigation costs. As of June 30, 2013, 100% of the landfill's total capacity has been used.

The City funded and paid its share of the capping design of \$1,257,357. The City also funded the ongoing project costs over the years with \$2,213,142 in transfers from operational funds, \$2,900,000 from bond authorizations and \$1,237,229 from various sources, including state aid, insurance proceeds and a payment from the Town of Madbury.

The City entered negotiations with the EPA and the State of New Hampshire Department of Environmental Services to implement an alternative to the closure capping. The new technique involves an air sparging trench along the down gradient edge of the landfill which will treat contaminated ground water. This alternative carries significant savings versus conventional capping. The City received approval for a pilot program to determine the effectiveness of this method. As a result, the City received a four-year deferral of the capping requirement from EPA.

An Amended Record of Decision (AROD) from EPA was issued on September 30, 2004 to change the closure method with an estimated cost of \$19,393,859, including estimates for post closure maintenance. The City's new liability was estimated to be \$8,663,966 for the alternative closure method using the same cost sharing percentage of 42.68%. This new estimate was \$7,625,525 for the construction of the closure remedy and \$1,038,441 for post closure maintenance.

Notes to Financial Statements

June 30, 2016

NOTE 13 – LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS - CONTINUED

Since FY2005, the \$8,663,966 liability was reduced by the amount of annual expenditures incurred for the air sparge and soil vapor extraction closure remedy. These expenditures have been funded from bond proceeds.

In January 2012, the construction of the source control remedy was completed. This construction consisted of two separate components, the groundwater extraction system and the sewer conveyance system. The groundwater extraction system is designed to intercept contaminated groundwater emanating from beneath the former landfill; the groundwater is then conveyed to the City's wastewater treatment plant for treatment.

The groundwater extraction system has been operational for two years. The annual operations and maintenance costs for FY2013 and FY2014 were about \$680,000 annually with the City being responsible for 42.68% or \$290,224. Therefore, the City adjusted the landfill closure liability to reflect an estimate of \$8,706,720 for 30 year estimate of post closure operations of the groundwater extraction and sewer conveyance systems. The estimated cost for FY2017 is \$895,850 with Dover's share of 42.68% being \$382,349. Therefore, as of June 30, 2016, the City adjusted the landfill closure liability to reflect an estimate of \$11,470,470 for 30 year estimate of post closure costs. The City is expecting to fund its share of post closure costs through the annual operating budget.

The City and other PRPs completed an evaluation to determine the need to continue to operate the northwest air sparge system for another year. The remediation achieved a dramatic reduction in contaminants as it was intended to accomplish. The City and other PRPs submitted a proposal to the EPA to decommission the northwest air sparge system. The EPA approved the proposal and the northwest remediation system has been decommissioned.

The total current cost of landfill closure and post-closure care is an estimate subject to changes resulting from inflation, deflation, technology, or changes in applicable laws and regulations.

NOTE 14 – RESTRICTED NET POSITION

The accompanying entity-wide financial statements report restricted net position when external constraints from grantors or contributors are placed on net position.

NOTE 15 – COMMITMENTS AND CONTINGENCIES

Outstanding Lawsuits

There are several pending lawsuits in which the City is involved. The City's management is of the opinion that the potential future settlement of such claims would not materially affect its financial statements taken as a whole.

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount of expenditures which may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

County Assessment

City's property tax assessment is approximately 28% of Strafford County's total assessment. Strafford County had a \$2,687,089 unassigned General Fund Balance surplus on December 31, 2015, the most recent financial statements available.

Notes to Financial Statements

June 30, 2016

NOTE 16 —OTHER POSTEMPLOYMENT BENEFITS PLAN

Plan Description

The City pays toward the cost of health care benefits for certain qualified retirees enrolled at the time of retirement and their eligible dependents (Retiree Group). The City will also pay toward the cost of health care benefits for certain current employees and eligible dependents upon retirement. The City provides post-employment health care benefits for retire employees through the City's single employer benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by NH RSA 100-A:50. The City has contracted with an actuarial consultant to provide the actuarial valuation of the City's OPEB liability under GASB 75. The Plan does not issue a separate audited financial report.

Benefits Provided

The City provides medical, dental, prescription drug, mental health/substance abuse and life insurance to retirees and their covered dependents who meet certain eligibility criteria.

Current retirees have their health care benefit cost paid by the City if they retired while enrolled in the City's Group Health Insurance program and had a minimum of 20 years of continuous creditable service with the City. Current employees are eligible for City cost participation when they retire only if they meet the same enrollment and service criteria and were hired on or before May 30, 2000, depending on the bargaining unit.

Employees who retire from the City under the New Hampshire Retirement System (NHRS) and participated in the City's Group Health Insurance Program at the time of retirement, but who are not eligible for any City retiree health care benefit cost coverage, may also join the Retiree Group. Coverage will continue for themselves and their eligible dependents at their own expense in accordance with state statute (NH RSA 100-A:50).

Covered Employees

At June 30, 2016, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	130
Active plan members	<u>606</u>
Total plan members	<u>736</u>

Funding Policy and On-Behalf Payments

Retirees contribute various percentages of the cost of the health plan, as determined by the City. The City contributes the remainder of the health plan costs on a pay-as-you-go basis.

The retiree health care benefit cost to the City is lessened by subsidies received by retirees from the NHRS. Health care benefit costs are reduced significantly upon a retiree or their dependents attaining the age of 65, at which time they become eligible for Medicare and are changed to a Medicare supplement plan.

The City's cost of health care benefits to retirees, less any subsidies paid by the New Hampshire Retirement System and any withholdings from the retirees, was \$1,886,365 for the year ended June 30, 2016.

For the fiscal year ended June 30, 2016, \$602,206 was recorded as revenues and expenditures in the General Fund relative to on-behalf payment received from the state.

OPEB Trust assets have been set aside by the City to pre-fund the City's portion of the OPEB liability; the SAU (School Department) has not set aside any funds to pre-fund the SAU's portion of their liability.

Notes to Financial Statements

June 30, 2016

NOTE 16 —OTHER POSTEMPLOYMENT BENEFITS PLAN – CONTINUED

Net OPEB Liability

The City's net OPEB liability was measured as of June 30, 2016; the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions. Actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study during 2008. The total OPEB liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.0%
Salary increases	3.0%, average
Investment rate of return	7.0%, net of Plan investment expense
Healthcare cost trend rates	8% for 2016, decreasing 0.5% per year to an ultimate rate of 4.5% for 2023 and later years

Mortality rates were based on the RPH-2015 total dataset mortality table fully generational using scale MP-2015.

The long-term expected rate of return on Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity	40% - 60%	3.0%
Fixed income	40% - 60%	1.0%
Inflation hedge	0% - 10%	3.0%
Cash	0% - 10%	0.0%

Discount Rate. The discount rate used to measure the total OPEB liability was 5.5%. This is based on a projection of cash flows which assumed the City would continue to pay the annual pay as you go cost using its general fund and the OPEB Trust would continue to accumulate assets and start paying the pay as you go costs after 2033. The 5.5% discount rate is a blend of a 2.92% interest discount factor, based on the Fidelity 20-Year Go Municipal Bond Index as of June 30, 2016, and a 7.0% expected rate of return investment strategy on the OPEB Trust.

Notes to Financial Statements

June 30, 2016

NOTE 16 —OTHER POSTEMPLOYMENT BENEFITS PLAN – CONTINUED

Changes in the Net OPEB Liability

Changes in the City's net OPEB liability were as follows:

	Total OPEB Liability [a]	Plan Fiduciary Net Position [b]	Net OPEB Liability [a] – [b]
Balances at July 1, 2015	\$52,389,457	\$ 2,494,193	\$49,895,264
Changes for the year:			
Service cost	738,313		738,313
Interest	2,096,703		2,096,703
Changes in assumptions	4,713,618		4,713,618
Difference between expected and actual experience	(9,089,639)		(9,089,639)
Contributions – employer		2,772,052	(2,772,052)
Net investment income		78,996	(78,996)
Benefit payments	(1,302,070)	(1,302,070)	
Administrative expense	-	-	-
Net changes	(2,843,075)	1,548,978	1,548,978
Balances, June 30, 2016	\$49,546,382	\$ 4,043,171	\$45,503,211

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate. The following presents the City's net OPEB liability, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.0%) or 1 percentage point higher (8.0%) than the current discount rate:

	1% Decrease (4.5%)	Discount Rate (5.5%)	1% Increase (6.5%)
Net OPEB liability	\$53,187,428	\$45,503,210	\$39,289,897

Sensitivity of the Net OPEB Liability to Changes in Healthcare Cost Trend Rates. The following presents the City's net OPEB liability, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (7% decreasing to 3.5%) or 1 percentage point higher (9% decreasing to 5.5%) than the current healthcare cost trend rates:

	1% Decrease (7.0% decreasing to 3.5%)	Healthcare Cost Trend Rates (8% decreasing to 4.5%)	1% Increase (9% decreasing to 5.5%)
Net OPEB liability	\$39,093,845	\$45,503,210	\$53,430,121

Notes to Financial Statements

June 30, 2016

NOTE 16 —OTHER POSTEMPLOYMENT BENEFITS PLAN – CONTINUED

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2016, the City recognized OPEB expense of \$2,274,426. At June 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience		\$8,335,559
Changes of assumptions	\$4,324,190	
Net difference between projected and actual earnings on Plan investments	116,941	
Total	<u>\$ 4,441,131</u>	<u>\$8,335,559</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense, as follows

Year ending June 30,

2017	\$335,417
2018	335,417
2019	335,417
2020	335,416
2021	364,652
Thereafter	<u>2,188,109</u>
Total	<u>\$3,894,428</u>

NOTE 17 – SELF-INSURANCE

The City is a self-insurer of workers' compensation for all City employees, contracting with an insurance carrier for excess liability coverage. Effective July 1, 2014, the City is insured for workers' compensation through the Public Risk Management Exchange (Primex). Any claims incurred prior to July 1, 2014 are covered under the City's self-insured worker's compensation program. Under the terms of its insurance coverage, the City is liable for \$500,000 per incident. The insurer's limit of liability is \$3,000,000. The City does not carry any aggregate insurance. Funding of the workers' compensation internal service fund is through charges levied to the general, special revenue and enterprise funds.

Claims Liability

The following represents changes in the Workers' Compensation claims liability:

	Year Ended June 30, 2016	Year Ended June 30, 2015
Unpaid claims, beginning of fiscal year	\$ 886,804	\$ 578,281
Claims incurred (including IBNRs)	(547,194)	493,908
Claims paid	(73,610)	(185,385)
Unpaid claims, end of fiscal year	<u>\$ 266,000</u>	<u>\$ 886,804</u>

The City adopted a policy to maintain 100% funding for an actuarially determined claims liability based on a 65% confidence level. Out of \$266,000 claims liability as of June 30, 2016, approximately \$94,000 is estimated to be due within one year.

Notes to Financial Statements

June 30, 2016

NOTE 18 – RISK MANAGEMENT

The government is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. There were no significant reductions in insurance coverage from the previous year and have been no material settlements in excess of coverage in any of the past three fiscal years.

NOTE 19 – PENSION PLAN

The City follows the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – and amendment of GASB Statement No. 27*, with respect to the State of New Hampshire Retirement System (NHRS).

Plan Description

Full-time employees participate in the State of New Hampshire Retirement System (the System), a cost sharing, multiple-employer defined benefit contributory pension plan and trust established in 1967 by RSA 100-A:2 and qualified as a tax-exempt organization under Sections 401(a) and 501(a) of the Internal Revenue Code. The plan is a contributory, defined benefit plan providing service, disability, death, and vested retirement benefits to members and their beneficiaries. Substantially all full-time state employees, public school teachers and administrators, permanent firefighters, and permanent police officers within the State of New Hampshire are eligible and required to participate in the system. Full-time employees of political subdivisions, including counties, municipalities, and school districts, are also eligible to participate as a group if the governing body of the political subdivision has elected participation. The plan covers 471 participating employers.

The New Hampshire Retirement System, a Public Employees Retirement System (PERS), is divided into two membership groups. State or local employees and teachers belong to *Group I*. Police officers and firefighters belong to *Group II*. All assets are held in a single trust and are available to each group. Additional information is disclosed in the System's annual report publicly available from the New Hampshire Retirement System located at 54 Regional Drive, Concord, New Hampshire 03301-8507.

Benefits Provided

Group I members at age 60 or 65 (for members who commence service after July 1, 2011) qualify for a normal service retirement allowance based on years of creditable service and average final salary for the highest of either three or five years, depending on when their service commenced. The yearly pension amount is 1/60 or 1.667% of average final compensation (AFC), multiplied by years of creditable service. At age 65, the yearly pension amount is recalculated at 1/66 or 1.515% of AFC multiplied by years of creditable service.

Group II members who are age 60, or members who are at least age 45 with at least 20 years of creditable service, can receive a retirement allowance at a rate of 2.5% of AFC for each year of creditable service, not to exceed 40 years. Members commencing service on or after July 1, 2011 or members who have a nonvested status as of January 1, 2012 can receive a retirement allowance at age 52.5 with 25 years of service or age 60. The benefit shall be equal to 2% of AFC times creditable service up to 42.5 years. However, a member who commenced service on or after July 1, 2011 shall not receive a retirement allowance until attaining the age of 52.5, but may receive a reduced allowance after age 50 if the member has at least 25 years of creditable service where the allowance shall be reduced, for each month by which the benefit commencement date precedes the month after which the member attains 52.5 years of age by $\frac{1}{4}$ of 1% or age 60.

Notes to Financial Statements

June 30, 2016

NOTE 19 – PENSION PLAN – CONTINUED

Benefits Provided – Continued

Members of both groups may qualify for vested deferred allowances, disability allowances and death benefit allowances subject to meeting various eligibility requirements. Benefits are based on AFC or earned compensation and/or service.

Employee membership data related to the Plan as of June 30, 2015 was as follows:

Retirees and beneficiaries	31,350
Inactive, non-retired members	10,689
Active members	<u>47,812</u>
	<u>89,851</u>

For the year ended June 30, 2016, the City's total payroll for all employees was \$47,012,367. Total covered payroll was \$37,720,100. Covered payroll refers to all compensation paid by the City to active employees covered by the Plan.

Contributions

Plan members are required to contribute a percentage of their gross earnings to the pension plan, which the contribution rates are 7% for employees and teachers, 11.55% for police and 11.80% for fire. The City makes annual contributions to the pension plan equal to the amount required by Revised Statutes Annotated 100-A:16, and range from 11.17% to 29.16% of covered compensation. The City's contribution to the System for the year ended June 30, 2016 was \$5,237,693, which was equal to its annual required contribution.

Summary of Significant Accounting Policies

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the NHRS and additions to/deductions from NHRS's fiduciary net position have been determined on the same basis as they are reported by NHRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2016, the City reported a liability of \$57,935,100 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation and rolled forward as of June 30, 2014. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2014, the City's proportion was 1.438 percent.

At the most recent measurement date of June 30, 2015, the City's proportion was 1.462 percent, which was an increase of .024 from its proportion measured as of June 30, 2014.

Notes to Financial Statements

June 30, 2016

NOTE 19 – PENSION PLAN – CONTINUED

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – Continued

For the year ended June 30, 2016, the City recognized pension expense of \$3,932,467. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual results		\$(1,271,328)
Net difference between projected and actual earnings on pension plan investments		(1,548,385)
Changes in proportion and differences between contributions and proportionate share of contributions	\$ 956,053	(102,566)
Contributions subsequent to the measurement date	5,237,693	
Total	<u>\$ 6,193,746</u>	<u>\$ (2,922,279)</u>

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Amounts reported as deferred outflows of resources and deferred inflows of resources (netted when necessary) related to pensions will be recognized in pension expense, as follows:

Year ended June 30:	
2017	\$ (926,259)
2018	(926,259)
2019	(926,259)
2020	840,830
2021	(28,279)
Total	<u>\$ (1,966,226)</u>

Actuarial Assumptions

The total pension liability was determined by rolling forward of the actuarial valuation as of June 30, 2014, using the following actuarial assumptions which apply to 2015 measurements.

Inflation	3.0 percent per year
Salary increases	3.75 - 5.8 percent average, including inflation
Investment rate of return	7.75 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 mortality table, projected to 2020 with Scale AA. The table includes a margin of 15% for men and 17% for woman for mortality improvements.

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of the most recent actuarial experience study, which was for the period July 1, 2005 – June 30, 2010.

Notes to Financial Statements

June 30, 2016

NOTE 19 – PENSION PLAN – CONTINUED

Actuarial Assumptions – Continued

The long-term expected rate of return on pension plan investments was selected from a best estimate range determined using the building block approach. Under this method, an expected future real return range is calculated separately for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return net of investment expenses by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major class are summarized in the following table:

Asset Class	Target Allocation Percentage		Weighted Average Average Long- Term Expected Real Rate of Return	
Large Cap Equities	22.50	%	3.00	%
Small/Mid Cap Equities	7.50		3.00	
Total domestic equities	30.00			
Intl Equities (unhedged)	13.00		4.00	
Emerging Intl Equities	7.00		6.00	
Total international equities	20.00			
Core Bonds	4.50		-0.70	
High-Yield Bonds	2.50		-1.00	
Global Bonds (unhedged)	11.00		0.28	
Unconstrained Fixed income	7.00		0.16	
Total fixed income	25.00			
Private equity	5.00		5.50	
Private debt	5.00		4.50	
Real estate	10.00		3.50	
Opportunistic	5.00		2.75	
Total alternative investments	25.00			
Total	100.00	%		

Discount Rate

The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that the plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. For purposes of the projection, member contributions and employer service cost contributions are projected based on the expected payroll of current members only. Employer contributions are determined based on the pension plan's actuarial funding policy and as required by RSA 100-A:16. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Notes to Financial Statements

June 30, 2016

NOTE 19 – PENSION PLAN – CONTINUED

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.75%) or 1 percentage-point higher (8.75%) than the current rate:

1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
\$76,264,029	\$57,935,100	\$42,309,581

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separately issued NHRS financial report.

NOTE 20 - DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES

The following is a summary of deferred outflows of resources and deferred inflows of resources as reported in the statement of net position as of June 30, 2016:

	Governmental Activities	Business-Type Activities
Deferred outflows from the pension plan	\$ 6,000,500	\$ 193,243
Deferred outflows from OPEB	4,138,440	302,691
Deferred outflows from deferred loss on refunding	1,512,308	511,876
Total deferred outflows	<u>\$11,651,248</u>	<u>\$ 1,007,810</u>
Deferred inflows from the pension plan	\$ 2,831,104	\$ 91,175
Deferred inflows from OPEB	7,767,439	568,120
Total deferred inflows	<u>\$10,598,543</u>	<u>\$ 659,295</u>

NOTE 21 – OPERATING LEASE REVENUE

The City leases office space in the McConnell Center to several organizations. The leases expire at various years through the year 2031. The cost of the assets held for lease as of June 30, 2016 was \$8,164,788 accumulated depreciation was \$1,965,180 and the net book value was \$6,199,608. Approximately 40% of the square footage of the building is being leased to third parties with the remainder of the building being used by the City. Future non-cancelable lease revenue under these leases as of June 30, 2016 is as follows:

Years Ending,	Amount
2017	\$ 270,109
2018	249,978
2019	220,833
2020	205,689
2021	113,695
Thereafter	1,060,726
Total	<u>\$ 2,121,030</u>

Notes to Financial Statements

June 30, 2016

NOTE 22 – FUND BALANCE

The following is a schedule of fund balance classifications for the governmental funds as of June 30, 2016:

	General Fund	CIP FY16	Nonmajor Governmental Funds
Nonspendable			
Permanent funds			\$ 2,214,610
Inventory	\$ 4,711		79,592
	<u>4,711</u>		<u>2,294,202</u>
Restricted			
Permanent funds income			224,212
Capital projects funds		\$68,857,519	3,116,180
Special revenue funds			2,578,729
	<u></u>	<u>68,857,519</u>	<u>5,919,121</u>
Committed			
City benefit capital reserve	42,564		
School benefit capital reserve	60,333		
McConnell Center long-term advance	520,801		
Recreation programs funds			240,709
Other special revenue funds			6,403,805
Recreation field construction			1,198,319
Capital purchases fund			3,309,366
Recreation and school funds			859,729
	<u>623,698</u>		<u>12,011,928</u>
Assigned			
Encumbrances – city	1,408,636		
Encumbrances – school	210,610		
Carryover appropriations	734,076		
	<u>2,353,322</u>		<u></u>
Unassigned	16,529,005		(5,761,824)
Total Fund Balances	<u>\$19,510,736</u>	<u>\$68,857,519</u>	<u>\$ 14,463,427</u>

Notes to Financial Statements

June 30, 2016

NOTE 23 – NET POSITION

Net Position Invested in Capital Assets

Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds payable adding back any unspent proceeds. Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The City's net position invested in capital assets, net of related debt was calculated as follows at June 30, 2016:

(In thousands)	Governmental Activities	Business-Type Activities
Capital assets	\$ 305,236	\$ 143,823
Accumulated depreciation	(124,917)	(64,769)
Bonds payable, total	(152,075)	(22,130)
Unspent bond proceeds	73,969	3,756
Unearned revenue*		(6,464)
Total invested in capital assets, net of related debt	<u>\$ 102,213</u>	<u>\$ 54,216</u>

- * The City received funding for Water and Sewer Fund capital projects from the State of New Hampshire through a revolving renovation loan fund. The reimbursements received by the City have been recorded as unearned revenue and will be converted to a loan payable obligation upon completions of the projects. Refer to Note 12 for additional information.

Restatement of Beginning Net Position

Beginning net position was reduced by \$24,113,612 as a result of the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for the year ended June 30, 2016. Additional restatements were made to present the results of prior debt forgiveness and refundings which resulted in a reduction in net position of \$820,710.

Net position at July 1, 2015 was restated as follows:

	Governmental Activities	Business-Type Activities
Net position		
as previously reported	\$ 38,034,922	\$ 62,232,226
Debt forgiveness and refunding	(55,056)	(765,654)
GASB No. 75	(22,582,466)	(1,531,146)
Other miscellaneous	215,517	(178,753)
Net position, as restated	<u>\$15,612,917</u>	<u>\$ 59,756,673</u>

NOTE 24 – SUBSEQUENT EVENTS

On November 9, 2016, the City Council authorized bonding of \$14,894,000 for the construction projects expected to begin in budget year 2018. These projects include City Hall structural and safety improvements, Cochecho Waterfront TIF District site preparation and park development, water and sewer system upgrades and improvements.

Schedule of Funding Progress Required Supplementary Information

Schedule of Changes in the City's Net OPEB Liability and Related Ratios

	2016
Total OPEB Liability	
Service cost	\$ 738,313
Interest	2,096,703
Changes of benefit terms	
Difference between expected and actual experience	(9,089,639)
Changes of assumptions	4,713,618
Benefit payments	(1,302,070)
Net change in total OPEB liability	2,843,075
Total OPEB liability – beginning	52,389,457
Total OPEB – ending	49,546,382
Plan Fiduciary Net Position	
Contributions – employer	\$2,772,052
Net investment income	78,997
Benefit payments	(1,302,070)
Administrative expense	
Other	
Net change in plan fiduciary net position	1,548,979
Plan fiduciary net position – beginning	2,494,193
Plan fiduciary net position – ending	4,043,172
Net OPEB Liability – Ending	\$45,503,210
Plan fiduciary net position as a % on total OPEB liability	8.16%
Covered employee payroll	30,561,275
Net OPEB liability as a % of covered-employee payroll	148.89%

The 10-year information is not currently available for all fiscal years.

Schedule of Funding Progress
Required Supplementary Information

Schedule of the City's Contributions to the OPEB Plan

	2016
Actuarially determined contribution	\$3,307,027
Contribution in relation to actuarially determined contribution	<u>2,674,772</u>
Contribution deficiency (excess)	<u>692,249</u>
Covered-employee payroll	11,545,956
Contributions as a percentage of covered-employee payroll	23.17%

Notes to Required Supplementary Information

Valuation Date: Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry age normal level percentage of salary
Amortization method	Level dollar
Remaining amortization period	26 years
Asset valuation method	Market value of asset
Inflation	3.0%
Healthcare cost trend rates	8% initial, decreasing 0.5% per year to an ultimate rate of 4.5%
Salary increases	3%, average, including inflation
Investment rate of return	7%, net of Plan investment expense, including inflation

The 10-year information is not currently available for all fiscal years.

Schedule of Proportionate Share of Net Pension Liability Required Supplementary Information

June 30, 2016

State of New Hampshire Retirement System						
Fiscal Year	Valuation Date	City Proportion of the Net Pension Liability	City Proportionate Share of the Net Pension Liability	Covered Employee Payroll	City Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2016	6/30/15	\$ 57,935,100	1.462%	\$ 37,720,100	153.6%	65.5%
2015	6/30/14	\$ 53,853,578	1.435%	\$ 35,731,344	150.7%	66.3%

The required supplementary information is intended to show information for ten years, and that the additional years' information will be displayed as it becomes available.

Schedule of Contributions Required Supplementary Information

June 30, 2016

State of New Hampshire Retirement System

Fiscal Year	Valuation Date	Contractually Required Contribution	Contributions Relative to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
2016	6/30/15	\$5,237,693	\$5,237,693	\$0	\$37,720,100	13.9%
2015	6/30/14	\$4,929,300	\$ 4,929,300	\$0	\$35,731,344	13.8%

The required supplementary information is intended to show information for ten years, and that the additional years' information will be displayed as it becomes available.

Combining Financial Statements

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds are established to account for resources obtained and expended for specified purposes and restricted by law or local action.

Special Revenue Funds are established for the following purposes:

- **Community Development Fund** – To account for grant proceeds received from the U.S. Department of Housing and Urban Development under the Community Development Block Grant (CDBG) program and the related program and subgrant expenditures.
- **CDBG Recovery Fund** – To account for the ARRA grant proceeds related to the CDBG program.
- **Housing and Urban Development** - To account for grant proceeds received from the US Dept. of Housing and Urban Development to develop new or revised land use and planning regulations.
- **Housing Rehabilitation Loan Fund** – To account for loans given to low and moderate income individuals for the purpose of improving their private dwellings.
- **Economic Development Loan Fund** – To account for loans given to small business for the purpose of business establishment or expansion.
- **DOE Energy Efficiency Fund** – To account for grant proceeds from the U.S. Department of Education for energy efficiency projects.
- **Police DOJ Fund** – To account for grant proceeds from the U.S. Department of Justice for various drug and alcohol awareness and prevention programs.
- **Homeland Security Fund** – To account for grant proceeds from the U.S. Department of Homeland Security for equipment purchases.
- **Police DHA Fund** – To account for funds received from the Dover Housing Authority for payment toward funding a Police Officer presence at their housing area.
- **Police DOT Fund** – To account for grant proceeds from the U.S. Department of Transportation for various driving safety programs.
- **DHHS Assistance Programs** – To account for grant proceeds for at-risk youth in the community passed through Department of Health and Public Welfare.
- **Police Tobacco Fund** – To account for grant proceeds for various tobacco awareness and prevention programs.

- **Emergency Management Fund** – To account for grant proceeds from the U.S. Federal Emergency Management Agency for preparation for major disasters.
- **Radiological Emergency Response** – To account for grant proceeds related to emergency preparedness for Seabrook radiological response.
- **DOI Fund** – To account for grant proceeds from the U.S. Department of Interior for various programs.
- **Department of Commerce - Coastal Programs:** To account for grant proceeds from the U.S. Department of Commerce National Oceanic & Atmospheric Administration (NOAA) Coastal Management Program to promote floodplain awareness and management.
- **EPA Fund** – To account for grant proceeds from the U.S. Environmental Protection Agency for various programs.
- **School Cafeteria Fund** – To account for cafeteria operations of the Dover School system, including reimbursement from the U.S. Department of Education and receipt of U.S. Department of Agriculture food commodities.
- **School Federal Aid Fund** – To account for grants received from the U.S. Department of Education for various programs supporting School operations.
- **School Special Programs Fund** – To account for Healthy Universal Beginnings program and ancillary education programs supported by the Dover School system and funded mainly by non-federal grants.
- **Dover Main Street Fund** – To account for the expenditures related to the Main Street Program, reimbursed by Dover Main Street, Inc.
- **Planning Improvements Fund** – To account for the funds received pursuant to Planning Board conditions for approval and held for related offsite improvements or other expenditures.
- **Police and Fire Detail** – To account for police and fire outside detail activity.
- **Parking Activity Fund** – To account for revenues of all parking lots, leased parking spaces and metered parking and expenditures of enforcement, lighting and snow removal.
- **Police Special Fund** – To account for forfeiture proceeds and special investigative expenditures.
- **Fire Special Projects Fund** – To account for special purpose grants awarded to the fire department.
- **Conservation Fund** – To account for the proceeds of current use (land change) penalties and the purchase of land or easements for conservation purposes.

- **Residential Solid Waste Fund** – To account for revenue from the sale of garbage bags and waste tags to local outlets for resale to the public and the expenditures or residential solid waste pickup and disposal.
- **McConnell Center Fund** – To account for the operations and maintenance of the McConnell Center facility and revenues from the leasing of space to 501(c)3 organizations and City and State organizations.
- **Recreation Programs Fund** – To account for the revenue and expenditures of self-supporting recreational programs.
- **Recreation Field Maintenance Fund** – to account for 10% of the proceeds of the sale of the City gravel for use to maintain recreation fields.
- **Library Fines Fund** – To account for revenue assessed on late return of books for use to purchase books, periodicals, etc. for the Public Library.
- **Downtown Dover TIF** – To account for funds collected in accordance with the tax increment financing plan established in March 2014 for repayment of bonds issued for construction of the Orchard Street Parking Garage and other capital improvements within the district as approved by City Council.
- **Waterfront TIF District**- To account for funds collected in accordance with the tax increment financing plan established in February 2015 to facilitate development of a city owned parcel off River Street by funding improvements and utility work as approved by the City Council.
- **Tuition Programs Fund** – To account for the revenue and expenditures for Dover School supported Dover Adult Learning Center and Summer Sessions.
- **Vocational Center Fund** – To account for revenues and expenditures of minor programs of the Dover High School's Regional Vocational Education Center.
- **School Alternative Education Fund** – To account for the revenues and expenditures of the Alternative Education Center of the Dover High School.
- **School Facilities Fund** – To account for gate receipts used toward the cost of facility maintenance and upgrades.
- **Other Special Revenue Funds** – To account for revenues and expenditures associated with various special revenue funds, formally classified as trusts under the "Pre-GASB 34" reporting model.

Capital Project Funds

- **CIP FY17** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2017 of the Capital Improvements Program.
- **CIP FY15** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2015 of the Capital Improvements Program.
- **CIP FY14** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2014 of the Capital Improvements Program.
- **CIP FY13** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2013 of the Capital Improvements Program.
- **CIP FY12** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2012 of the Capital Improvements Program.
- **CIP FY11** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2011 of the Capital Improvements Program.
- **CIP FY10** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2010 of the Capital Improvements Program.
- **CIP FY09** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2009 of the Capital Improvements Program.
- **CIP FY08** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2008 of the Capital Improvements Program.

- **CIP FY07** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2007 of the Capital Improvements Program.
- **CIP FY06** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2006 of the Capital Improvements Program.
- **CIP FY05** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2005 of the Capital Improvements Program.
- **CIP FY04** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2004 of the Capital Improvements Program.
- **CIP FY03** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2003 of the Capital Improvements Program.
- **CIP FY02** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2002 of the Capital Improvements Program.
- **CIP FY01** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2001 of the Capital Improvements Program.
- **CIP FY00** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2000 of the Capital Improvements Program.

- **Tolend Road Landfill Closure** – To account for the revenues from bond and loan proceeds, insurance proceeds, and federal and state grant funding and the related expenditures for the design and construction costs of the closure of a landfill containing hazardous waste.
- **Cocheco River Dredge** – To account for the revenue from bond anticipation note proceeds and revenue from the placement of dredge spoils and the related expenditures for the design, construction and closure costs of a dredge spoils cell for the Cocheco River.
- **Recreation Field Construction** – To account for the revenue from the sale of gravel and the related expenditures for authorized recreation or other qualified projects.
- **Capital Purchases Fund** – To account for revenue transferred from the general fund for the purpose of capital acquisitions.

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Non-Major Governmental Funds

Combining Balance Sheet

June 30, 2016

	Special Revenue Funds					DOE Energy Efficiency Fund
	Community Development Fund	CDBG Recovery Fund	Housing and Urban Development	Housing Rehab Loan Fund	Economic Development Loan Fund	
ASSETS						
Cash and short-term investments						
Investments						
Departmental receivable						
Intergovernmental receivables						
Loans receivable				\$ 195,762	\$ 265,994	
Due from other funds		\$ 131,086	\$ 2,974	313,155		
Inventory						
Other						
Total Assets	\$	\$ 131,086	\$ 2,974	\$ 508,917	\$ 265,994	\$
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 23,985			\$ 82	\$ 155	
Accrued liabilities	2,514					
Retainage payable						
Unearned revenue						
Due to other funds	383,801				34,379	
Advance from other fund						
Compensated absences						
Total Liabilities	410,300			82	34,534	
DEFERRED INFLOW OF RESOURCES						
Unavailable revenue - long-term receivables				195,763	536,360	
Fund Balances:						
Nonspendable						
Restricted		\$ 131,086	\$ 2,974	\$ 313,072		
Committed						
Assigned						
Unassigned	\$ (410,300)				\$ (304,900)	
Total Fund Balances (Deficit)	(410,300)	131,086	2,974	313,072	(304,900)	
Total Liabilities, Deferred Inflow of Resources and Fund Balances	\$	\$ 131,086	\$ 2,974	\$ 508,917	\$ 265,994	\$

Special Revenue Funds

Police DOJ Fund	Homeland Security Fund	Police DHA Fund	Police DOT Fund	DHHS Assistance Programs	Police Tobacco Fund	Emergency Management Fund	Radiological Emergency Response
						\$ 1	
\$ 164,406	\$ 21,786	\$ 1,631			\$ 155,972	396,183	\$ 36,879
						89	
<u>\$ 164,406</u>	<u>\$ 21,786</u>	<u>\$ 1,631</u>	<u>\$</u>	<u>\$</u>	<u>\$ 155,972</u>	<u>\$ 396,273</u>	<u>\$ 36,879</u>
\$ 10,717		\$ 1,427		\$ 25	\$ 4,133		
			\$ 17,050	12,073			
<u>10,717</u>	<u></u>	<u>1,427</u>	<u>17,050</u>	<u>12,098</u>	<u>4,133</u>	<u></u>	<u></u>
\$ 153,689	\$ 21,786	\$ 204			\$ 151,839	\$ 396,273	\$ 36,879
<u>153,689</u>	<u>21,786</u>	<u>204</u>	<u>\$ (17,050)</u>	<u>\$ (12,098)</u>	<u>151,839</u>	<u>396,273</u>	<u>36,879</u>
			<u>(17,050)</u>	<u>(12,098)</u>			
<u>\$ 164,406</u>	<u>\$ 21,786</u>	<u>\$ 1,631</u>	<u>\$</u>	<u>\$</u>	<u>\$ 155,972</u>	<u>\$ 396,273</u>	<u>\$ 36,879</u>

Special Revenue Funds

	DOI Fund	Department of Commerce	EPA Fund	School Cafeteria Fund	School Federal Aid Fund	School Special Programs Fund
ASSETS						
Cash and short-term investments				\$ 41,571		
Investments						
Departmental receivable				1,037		
Intergovernmental receivables				140,720	\$ 1,052,780	
Loans receivable						
Due from other funds				278,698		\$ 36,687
Inventory				39,084		
Other		\$ 516				
Total Assets	\$	\$ 516	\$	\$ 501,110	\$ 1,052,780	\$ 36,687
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable			\$ 451	\$ 67,179	\$ 125	
Accrued liabilities				1	166,655	
Retainage payable						
Unearned revenue				116,380		
Due to other funds	\$ 8,761	\$ 11	7,612		844,404	
Advance from other fund						
Compensated absences						
Total Liabilities	8,761	11	8,063	183,560	1,011,184	
DEFERRED INFLOW OF RESOURCES						
Unavailable revenue - long-term receivables						11,931
Fund Balances:						
Nonspendable				\$ 39,084		
Restricted		\$ 505		278,466	\$ 41,596	\$ 24,756
Committed						
Assigned						
Unassigned	\$ (8,761)		(8,063)			
Total Fund Balances (Deficit)	(8,761)	505	(8,063)	317,550	41,596	24,756
Total Liabilities and Fund Balances	\$	\$ 516	\$	\$ 501,110	\$ 1,052,780	\$ 36,687

Special Revenue Funds

Dover Main Street Fund	Planning Improvements Fund	Police and Fire Detail	Parking Activity Fund	Police Special Fund	Fire Special Projects Fund	Conservation Fund	Residential Solid Waste Fund
			\$ 70,659				
		\$ 106,779				\$ 38,985	\$ 50,802
	\$ 213,227		38,564	\$ 50,376	\$ 145,015	520,454	1,014,869
\$ 50,000							40,508
\$ 50,000	\$ 213,227	\$ 106,779	\$ 109,223	\$ 50,376	\$ 145,015	\$ 559,439	\$ 1,106,179
	\$ 2,250		\$ 8,760		\$ 525	\$ 601	\$ 86,944
		\$ 5,753	4,885	\$			2,618
\$ 54,148		42,102					540,306
54,148	2,250	47,855	13,645		525	601	629,868
						9,899	
	\$ 210,977	\$ 58,924		\$ 50,376	\$ 144,490	\$ 548,939	\$ 40,508
			\$ 95,578				435,803
\$ (4,148)							
(4,148)	210,977	58,924	95,578	50,376	144,490	548,939	476,311
\$ 50,000	\$ 213,227	\$ 106,779	\$ 109,223	\$ 50,376	\$ 145,015	\$ 559,439	\$ 1,106,179

Special Revenue Funds								
	McConnell Center Fund	Recreation Programs Fund	Recreation Field Maintenance Fund	Library Fines Fund	Downtown Dover TIF Fund	Waterfront TIF District Fund	Tuition Programs Fund	Vocational Center Fund
ASSETS								
Cash and short-term investments								
Investments								
Departmental receivable	\$ 25,112	\$ 690						
Intergovernmental receivables								
Loans receivable								
Due from other funds		261,980		\$ 15,190	\$ 924	\$ 34,985		\$ 906
Inventory								
Other								
Total Assets	\$ 25,112	\$ 262,670	\$	\$ 15,190	924	\$ 34,985	\$	\$ 906
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 21,682	\$ 6,843	\$ 9,429	\$ 4,216			\$ 5	
Accrued liabilities	1,941	15,118						
Retainage payable								
Unearned revenue								
Due to other funds			107,129				6,868	
Advance from other fund	520,800							
Compensated absences								
Total Liabilities	544,423	21,961	116,558	4,216			6,873	
DEFERRED INFLOW OF RESOURCES								
Unavailable revenue - long-term receivables								
Fund Balances:								
Nonspendable								
Restricted				\$ 10,974	\$ 924			
Committed		\$ 240,709				\$ 34,985		\$ 906
Assigned								
Unassigned	\$ (519,311)		\$ (116,558)				\$ (6,873)	
Total Fund Balances (Deficit)	(519,311)	240,709	(116,558)	10,974	924	34,985	(6,873)	906
Total Liabilities and Fund Balances	\$ 25,112	\$ 262,670	\$	\$ 15,190	\$ 924	\$ 34,985	\$	\$ 906

Special Revenue Funds				Capital Projects Funds					
School Alternative Education Fund	School Facilities Fund	Other Special Revenue Funds	Special Revenue Funds Subtotals	CIP FY 17	CIP FY 15	CIP FY 14	CIP FY 13	CIP FY 12	CIP FY 11
		\$ 5,125,756	\$ 5,237,986						
		7,647,266	7,647,266						
\$ 9,233	\$ 10,689	655,061	898,388			\$ 24,422			
			1,193,501						
			461,756						
328,762	283,036		4,447,745		\$ 378,227				\$ 602,089
			79,592						
			50,605						
<u>\$ 337,995</u>	<u>\$ 293,725</u>	<u>\$ 13,428,083</u>	<u>\$ 20,016,839</u>		<u>378,227</u>	<u>24,422</u>		<u>\$</u>	<u>602,089</u>
\$ 1,316	\$ 1,268	\$ 23,200	\$ 264,601	\$	\$ 212,413	\$ 30,905	\$ 31,429	\$ 3,500	\$
57,724			267,926						
			116,380		164,900	7,887	20,602		
361,134		4,562,256	6,982,034	593,102		109,628	160,768	449,148	
			520,800						
<u>420,174</u>	<u>1,268</u>	<u>4,585,456</u>	<u>8,151,741</u>	<u>593,102</u>	<u>377,313</u>	<u>148,420</u>	<u>212,799</u>	<u>452,648</u>	
			753,953						
		\$ 2,214,610	\$ 2,294,202						
		224,212	2,802,941		\$ 914				\$ 602,089
\$ 292,457		6,403,805	7,504,243						
<u>\$ (82,179)</u>			<u>(1,490,241)</u>	<u>\$ (593,102)</u>		<u>\$ (123,998)</u>	<u>\$ (212,799)</u>	<u>\$ (452,648)</u>	
<u>(82,179)</u>	<u>292,457</u>	<u>8,842,627</u>	<u>11,111,145</u>	<u>(593,102)</u>	<u>914</u>	<u>(123,998)</u>	<u>(212,799)</u>	<u>(452,648)</u>	<u>602,089</u>
<u>\$ 337,995</u>	<u>\$ 293,725</u>	<u>\$ 13,428,083</u>	<u>\$ 20,016,839</u>	<u>\$</u>	<u>378,227</u>	<u>24,422</u>	<u>\$</u>	<u>\$</u>	<u>\$ 602,089</u>

Capital Projects Funds

	CIP FY10	CIP FY09	CIP FY08	CIP FY07	CIP FY06	CIP FY05	CIP FY04	CIP FY03
ASSETS								
Cash and short-term investments								
Investments								
Departmental receivable								
Intergovernmental receivables								
Loans receivable								
Due from other funds		\$ 574,919	\$ 1,645,896					
Inventory								
Other								
Total Assets	\$	574,919	\$ 1,645,896	\$	\$	\$	\$	\$
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 243,723	\$ 8,672	\$ 4,012		\$ 6,413		\$ 87	
Accrued liabilities								
Retainage payable								
Unearned revenue								
Due to other funds	831,980			\$ 469,543	22,355	\$ 420,870	136,087	\$ 31,591
Advance from other fund								
Compensated absences								
Total Liabilities	1,075,703	8,672	4,012	469,543	28,768	420,870	136,174	31,591
DEFERRED INFLOW OF RESOURCES								
Unavailable revenue - long-term receivables								
Fund Balances:								
Nonspendable								
Restricted		\$ 566,247	\$ 1,641,884					
Committed								
Assigned								
Unassigned	\$ (1,075,703)			\$ (469,543)	\$ (28,768)	\$ (420,870)	\$ (136,174)	\$ (31,591)
Total Fund Balances (Deficit)	(1,075,703)	566,247	1,641,884	(469,543)	(28,768)	(420,870)	(136,174)	(31,591)
Total Liabilities and Fund Balances	\$	\$ 574,919	\$ 1,645,896	\$	\$	\$	\$	\$

Capital Projects Funds								
CIP FY02	CIP FY01	CIP FY00	Tolend Rd Landfill Closure	Cocheco River Dredge	Recreation Field Construction	Capital Purchases Fund	Capital Projects Funds Subtotals	Total
						\$ 3,183,866	\$ 3,183,866	\$ 8,421,852
								7,647,266
							24,422	922,810
								1,193,501
								461,756
\$ 98,177				\$ 209,416	\$ 1,198,319	125,500	4,832,543	9,280,288
								79,592
								50,605
<u>\$</u>	<u>\$ 98,177</u>	<u>\$</u>	<u>\$</u>	<u>\$ 209,416</u>	<u>\$ 1,198,319</u>	<u>\$ 3,309,366</u>	<u>\$ 8,040,831</u>	<u>\$ 28,057,670</u>
\$ 594				\$ 2,547	\$		\$ 544,295	\$ 808,896
								267,926
							193,389	193,389
								116,380
27,125		\$ 61,162	\$ 637,506				3,950,865	10,932,899
								520,800
<u>27,719</u>	<u></u>	<u>61,162</u>	<u>637,506</u>	<u>2,547</u>	<u></u>	<u></u>	<u>4,688,549</u>	<u>12,840,290</u>
								753,953
	\$ 98,177			\$ 206,869			\$ 3,116,180	\$ 2,294,202
					\$ 1,198,319	\$ 3,309,366	4,507,685	5,919,121
								12,011,928
\$ (27,719)		\$ (61,162)	\$ (637,506)				(4,271,583)	(5,761,824)
<u>(27,719)</u>	<u>98,177</u>	<u>(61,162)</u>	<u>(637,506)</u>	<u>206,869</u>	<u>1,198,319</u>	<u>3,309,366</u>	<u>3,352,282</u>	<u>14,463,427</u>
<u>\$</u>	<u>\$ 98,177</u>	<u>\$</u>	<u>\$</u>	<u>\$ 209,416</u>	<u>\$ 1,198,319</u>	<u>\$ 3,309,366</u>	<u>\$ 8,040,831</u>	<u>\$ 28,057,670</u>

Non-Major Governmental Funds**Combining Statement of Revenues, Expenditures
and Changes in Fund Balances**

For Fiscal Year Ended June 30, 2016

	Special Revenue Funds					
	Community Development Fund	CDBG Recovery Fund	Housing and Urban Development	Housing Rehab Loan Fund	Economic Development Loan Fund	DOE Energy Efficiency Fund
Revenues:						
Taxes						
Licenses and permits						
Intergovernmental	\$ 284,711					\$
Current services	4,260			\$ 762	\$ 27,167	
Miscellaneous	1,643					
Total Revenues	<u>290,614</u>			<u>762</u>	<u>27,167</u>	
Expenditures:						
Current:						
General government						
Public safety						
Public works						
Culture and recreation						
Education						
Public welfare	203,972				270,366	
Debt service						
Total Expenditures	<u>203,972</u>				<u>270,366</u>	
Excess (deficiency) of revenues over expenditures	86,642			762	(243,199)	
Other Financing Sources:						
Bond proceeds						
Transfers in (out)						10,416
Net change in fund balances	86,642			762	(243,199)	10,416
Fund Balances, Beginning (Deficit)	<u>(496,942)</u>	<u>131,086</u>	<u>2,974</u>	<u>312,310</u>	<u>(61,701)</u>	<u>(10,416)</u>
Fund Balances, Ending (Deficit)	<u>\$ (410,300)</u>	<u>\$ 131,086</u>	<u>\$ 2,974</u>	<u>\$ 313,072</u>	<u>\$ (304,900)</u>	<u>\$</u>

Special Revenue Funds

Police DOJ Fund	Homeland Security Fund	Police DHA Fund	Police DOT Fund	DHHS Assistance Programs	Police Tobacco Fund	Emergency Management Fund
\$ 2,209	\$ 65,323	\$ 60,000	\$ 33,333	\$ 78,409	\$ 125,000	\$ 7,288
<u>2,209</u>	<u>65,323</u>	<u>60,000</u>	<u>33,333</u>	<u>78,409</u>	<u>25,281</u> <u>150,281</u>	<u>7,288</u>
14,741	25,635 34,415	99,157	38,339	66,798	167,595	41,093
<u>14,741</u>	<u>60,050</u>	<u>99,157</u>	<u>38,339</u>	<u>66,798</u>	<u>167,595</u>	<u>41,093</u>
(12,532)	5,273	(39,157)	(5,006)	11,611	(17,314)	(33,805)
<u>8,195</u>	<u> </u>	<u>44,813</u>	<u> </u>	<u> </u>	<u>30,112</u>	<u> </u>
(4,337)	5,273	5,656	(5,006)	11,611	12,798	(33,805)
<u>158,026</u>	<u>16,513</u>	<u>(5,452)</u>	<u>(12,044)</u>	<u>(23,709)</u>	<u>139,041</u>	<u>430,078</u>
\$ <u>153,689</u>	\$ <u>21,786</u>	\$ <u>204</u>	\$ <u>(17,050)</u>	\$ <u>(12,098)</u>	\$ <u>151,839</u>	\$ <u>396,273</u>

Special Revenue Funds

	Radiological Emergency Response	DOI Fund	Department of Commerce	EPA Fund	School Cafeteria Fund	School Federal Aid Fund
Revenues:						
Taxes						
Licenses and permits						
Intergovernmental			\$ (3,646)	\$ 45,428	\$ 734,255	\$ 2,882,931
Current services					832,420	
Miscellaneous						
Total Revenues			<u>(3,646)</u>	<u>45,428</u>	<u>1,566,675</u>	<u>2,882,931</u>
Expenditures:						
Current:						
General government			528	85,419		
Public safety						
Public works						
Culture and recreation		17,287				
Education					1,636,994	2,982,917
Public Welfare						
Debt service						
Total Expenditures		<u>17,287</u>	<u>528</u>	<u>85,419</u>	<u>1,636,994</u>	<u>2,982,917</u>
Excess (deficiency) of revenues over expenditures		(17,287)	(4,174)	(39,991)	(70,319)	(99,986)
Other Financing Sources:						
Bond proceeds						
Transfers in (out)					29,738	
Net change in fund balances		(17,287)	(4,174)	(39,991)	(40,581)	(99,986)
Fund Balances, Beginning (Deficit)	\$ 36,879	\$ 8,526	4,679	31,928	358,131	141,582
Fund Balances, Ending (Deficit)	<u>\$ 36,879</u>	<u>\$ (8,761)</u>	<u>505</u>	<u>\$ (8,063)</u>	<u>\$ 317,550</u>	<u>\$ 41,596</u>

Special Revenue Funds

Special Programs Fund	Dover Main Street Fund	Planning Improvements Fund	Police and Fire Detail	Parking Activity Fund	Police Special Fund	Fire Special Projects Fund
\$ 62,678					\$ 3,610	
			\$ 405,033	\$ 765,186	13,815	\$ 30,000
<u>62,678</u>	<u></u>	<u></u>	<u>405,033</u>	<u>765,196</u>	<u>(1,421)</u>	<u>24,252</u>
					<u>16,004</u>	<u>54,252</u>
	\$ 4,342					
		\$ 5,150	362,123	411,188	22,355	27,174
94,590						
<u>94,590</u>	<u>4,342</u>	<u>5,150</u>	<u>362,123</u>	<u>81,406</u> <u>492,594</u>	<u>22,355</u>	<u>27,174</u>
(31,912)	(4,342)	(5,150)	42,910	272,602	(6,351)	27,078
			(75,000)	(198,301)		
(31,912)	(4,342)	(5,150)	(32,090)	74,301	(6,351)	27,078
<u>56,668</u>	<u>194</u>	<u>216,127</u>	<u>91,014</u>	<u>21,277</u>	<u>56,727</u>	<u>117,412</u>
\$ <u>24,756</u>	\$ <u>(4,148)</u>	\$ <u>210,977</u>	\$ <u>58,924</u>	\$ <u>95,578</u>	\$ <u>50,376</u>	\$ <u>144,490</u>

Special Revenue Funds

	Conservation Fund	Residential Solid Waste Fund	McConnell Center Fund	Recreation Programs Fund	Recreation Field Maintenance Fund
Revenues:					
Taxes	\$ 111,845				
Licenses and permits					
Intergovernmental	200	\$ 11,111			
Current services		946,893	\$ 699,505	\$ 363,743	\$ 22,763
Miscellaneous	186	531		6,744	
Total Revenues	<u>112,231</u>	<u>958,535</u>	<u>699,505</u>	<u>370,487</u>	<u>22,763</u>
Expenditures:					
Current:					
General government	10,260				
Public safety					
Public works		945,304	21,504		
Culture and recreation			451,049	437,264	55,632
Education					
Public welfare					
Debt service			397,847		
Total Expenditures	<u>10,260</u>	<u>945,304</u>	<u>870,400</u>	<u>437,264</u>	<u>55,632</u>
Excess (deficiency) of revenues over expenditures	101,971	13,231	(170,895)	(66,777)	(32,869)
Other Financing Sources:					
Bond proceeds					
Transfers in (out)	<u>(64,237)</u>		<u>129,454</u>	<u>15,500</u>	
Net change in fund balances	37,734	13,231	(41,441)	(51,277)	(32,869)
Fund Balances, Beginning (Deficit)	<u>511,205</u>	<u>463,080</u>	<u>(477,870)</u>	<u>291,986</u>	<u>(83,689)</u>
Fund Balances, Ending (Deficit)	<u>\$ 548,939</u>	<u>\$ 476,311</u>	<u>\$ (519,311)</u>	<u>\$ 240,709</u>	<u>\$ (116,558)</u>

Special Revenue Funds

Library Fines Fund	Downtown Dover TIF Fund	Waterfront TIF District Fund	Tuition Programs Fund	Vocational Center Fund	School Alternative Education Fund	School Facilities Fund	Other Special Revenue Funds	Special Revenue Funds Subtotals
	\$ 304,929	\$ 234					\$ 412,747	\$ 417,008
								416,357
\$ 33,606			\$ 115,835		\$ 157,373	\$ 175,184		4,433,045
							670,643	4,549,730
<u>33,606</u>	<u>304,929</u>	<u>234</u>	<u>115,835</u>		<u>157,373</u>	<u>175,184</u>	<u>1,083,390</u>	<u>727,869</u>
								<u>10,544,009</u>
	1,664	115,249					2	217,464
							49,815	1,326,013
36,084							16,964	1,023,337
			115,835		661,608	188,936	5,474	1,002,790
							1,072	5,681,952
								474,338
	<u>641,462</u>							<u>1,120,715</u>
<u>36,084</u>	<u>643,126</u>	<u>115,249</u>	<u>115,835</u>		<u>661,608</u>	<u>188,936</u>	<u>73,327</u>	<u>10,846,609</u>
(2,478)	(338,197)	(115,015)			(504,235)	(13,752)	1,010,063	(302,600)
	<u>337,000</u>	<u>150,000</u>			<u>392,700</u>		<u>1,586,656</u>	<u>2,397,046</u>
(2,478)	(1,197)	34,985			(111,535)	(13,752)	2,596,719	2,094,446
<u>13,452</u>	<u>2,121</u>		<u>(6,873)</u>	\$ <u>906</u>	<u>29,356</u>	<u>306,209</u>	<u>6,245,908</u>	<u>9,016,699</u>
\$ <u>10,974</u>	\$ <u>924</u>	\$ <u>34,985</u>	\$ <u>(6,873)</u>	\$ <u>906</u>	\$ <u>(82,179)</u>	\$ <u>292,457</u>	\$ <u>8,842,627</u>	\$ <u>11,111,145</u>

Capital Projects Funds

	CIP FY 17	CIP FY 15	CIP FY 14	CIP FY 13	CIP FY 12	CIP FY 11	CIP FY10	CIP FY09
Revenues:								
Taxes								
Licenses and permits								
Intergovernmental								
Current services								
Miscellaneous								
Total Revenues								
Expenditures:								
Current:								
General government		\$ 5,000						
Public safety	\$ 78,507	5,554,749	\$ 7,435,640	\$ 37,961		\$ 67,815		\$ 58,488
Public works	583,000	1,941,946	294,763	265,640	\$ 70,734	19,250	\$ 497,229	
Culture and recreation		147,055		124,400				
Education		621,454						
Public welfare								
Debt service								
Total Expenditures	661,507	8,270,204	7,730,403	428,001	70,734	87,065	497,229	58,488
Excess (deficiency) of revenues over expenditures	(661,507)	(8,270,204)	(7,730,403)	(428,001)	(70,734)	(87,065)	(497,229)	(58,488)
Other Financing Sources:								
Bond proceeds		900,000						
Transfers in (out)	68,405							
Net change in fund balances	(593,102)	(7,370,204)	(7,730,403)	(428,001)	(70,734)	(87,065)	(497,229)	(58,488)
Fund Balances, Beginning (Deficit)		7,371,118	7,606,405	215,202	\$ (381,914)	689,154	(578,474)	624,735
Fund Balances, Ending (Deficit)	\$ (593,102)	\$ 914	\$ (123,998)	\$ (212,799)	\$ (452,648)	\$ 602,089	\$ (1,075,703)	\$ 566,247

Capital Projects Funds

CIP FY08	CIP FY07	CIP FY06	CIP FY05	CIP FY04	CIP FY03	CIP FY02	CIP FY01	CIP FY00
\$ 4,012								
21,008		\$ 1,079 5,334		\$ 87				
25,020		6,413		87				
(25,020)		(6,413)		(87)				
(25,020)		(6,413)		(87)				
1,666,904	(469,543)	(22,355)	(420,870)	(136,087)	\$ (31,591)	(27,719)	98,177	(61,162)
\$ 1,641,884	\$ (469,543)	\$ (28,768)	\$ (420,870)	\$ (136,174)	\$ (31,591)	\$ (27,719)	\$ 98,177	\$ (61,162)

Capital Projects Funds						
	Tolend Rd Landfill Closure	Cocheco River Dredge	Recreation Field Construction	Capital Purchases Fund	Capital Projects Funds Subtotals	Total
Revenues:						
Taxes						\$ 417,008
Licenses and permits						416,357
Intergovernmental						4,433,045
Current services						4,549,730
Miscellaneous			\$ 156,307	\$ 7,072	\$ 163,379	891,248
Total Revenues			<u>156,307</u>	<u>7,072</u>	<u>163,379</u>	<u>10,707,388</u>
Expenditures:						
Current:						
General government					5,000	222,464
Public safety					13,237,172	14,563,185
Public works	\$ 392,947	\$ 31,106	3,468		4,100,083	5,123,420
Culture and recreation					293,629	1,296,419
Education					626,788	6,308,740
Public welfare						474,338
Debt service						1,120,715
Total Expenditures	<u>392,947</u>	<u>31,106</u>	<u>3,468</u>		<u>18,262,672</u>	<u>29,109,281</u>
Excess (deficiency) of revenues over expenditures	(392,947)	(31,106)	152,839	7,072	(18,099,293)	(18,401,893)
Other Financing Sources:						
Bond proceeds					900,000	900,000
Transfers in (out)	<u>350,000</u>			<u>576,559</u>	<u>994,964</u>	<u>3,392,010</u>
Net change in fund balances	(42,947)	(31,106)	152,839	583,631	(16,204,329)	(14,109,883)
Fund Balances, Beginning (Deficit)	<u>(594,559)</u>	<u>237,975</u>	<u>1,045,480</u>	<u>2,725,735</u>	<u>19,556,611</u>	<u>28,573,310</u>
Fund Balances, Ending (Deficit)	<u>\$ (637,506)</u>	<u>\$ 206,869</u>	<u>\$ 1,198,319</u>	<u>\$ 3,309,366</u>	<u>\$ 3,352,282</u>	<u>\$ 14,463,427</u>

Detail and Combining Budget and Actual Schedules

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General Fund

The general fund is established to account for all resources obtained and used for those services commonly provided by the City which are not accounted for in any other fund. These services include, among other items: General government, public safety, public works, culture and recreation, education, public welfare, inter-governmental and debt service. The primary sources of revenue of the general fund are property taxes, unrestricted state revenue sharing grants, certain restricted grants, and fees for services rendered.

Detail Schedule of Revenues and Other Financing Sources - Budget and Actual - General Fund

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
Taxes				
Property taxes	\$ 72,000,613	\$ 73,165,672	\$ 73,234,473	\$ 68,801
Boat tax	25,000	25,000	22,167	(2,833)
Yield tax	2,500	2,500	3,077	577
Payment in lieu of taxes	83,700	75,000	79,939	4,939
Excavation tax	5,000	5,000	9,300	4,300
Tax interest and penalties	600,000	412,000	366,320	(45,680)
Total Taxes	<u>72,716,813</u>	<u>73,685,172</u>	<u>73,715,276</u>	<u>30,104</u>
Licenses and Permits				
Health licenses and permits	56,200	56,200	53,927	(2,273)
Building permits	475,000	475,000	557,510	82,510
Peddlers and vendors licenses	900	900	1,270	370
Motor vehicle permits	4,600,000	4,500,000	4,994,530	494,530
Electrical permits	110,000	110,000	98,565	(11,435)
Plumbing permits	142,000	142,000	145,364	3,364
Trailer park permits	175	175	150	(25)
Fire and rescue permits	3,200	3,200	44,008	40,808
Dog licenses	17,403	17,403	17,538	135
Marriage license fees	2,450	2,450	1,886	(564)
Birth, death and marriage certificates	22,002	22,002	38,920	16,918
Miscellaneous licenses and permits	8,910	8,910	9,975	1,065
Miscellaneous service charges			2,076	2,076
Taxi licenses	500	500	2,865	2,365
Video and arcade licenses	1,200	1,200	60	(1,140)
Total Licenses and Permits	<u>5,439,940</u>	<u>5,339,940</u>	<u>5,968,644</u>	<u>628,704</u>
Intergovernmental				
Rooms and meals distribution	1,600,000	1,462,818	1,462,818	
Federal grant reimbursement	49,500	49,500	(32)	(49,532)
State reimbursement	3,040	3,040	50,820	47,780
Highway block grant	506,862	567,082	580,662	13,580
Miscellaneous Intergovernmental	129,642	130,065	9,314	(120,751)
Total Intergovernmental	<u>2,289,044</u>	<u>2,212,505</u>	<u>2,103,582</u>	<u>(108,923)</u>

(continued)

(continued)

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
Current Services				
Sales and service charges	\$ 1,271,151	\$ 1,271,151	\$ 1,192,176	\$ (78,975)
Copy sales	350	350	252	(98)
Vending machine sales	3,500	3,500	2,461	(1,039)
Commissions	3,000	3,000	4,663	1,663
Ambulance services	1,330,266	1,230,266	915,221	(315,045)
Interment charges	49,800	49,800	49,585	(215)
Headstone foundations	9,000	9,000	7,774	(1,226)
Pro shop	20,000	20,000	10,829	(9,171)
Recreation charges	359,542	359,542	326,574	(32,968)
Non-resident charges	55,576	55,576	48,608	(6,968)
Food sales	44,000	44,000	37,271	(6,729)
Vending sales	10,000	10,000	7,587	(2,413)
Department overhead allocations	487,276	487,276	487,272	(4)
Miscellaneous service charges	35,580	35,580	36,147	567
Total Current Services	<u>3,679,041</u>	<u>3,579,041</u>	<u>3,126,420</u>	<u>(452,621)</u>
Education				
Tuition	10,069,323	8,719,727	8,705,910	(13,817)
Federal grant reimbursement	505,000	594,000	636,023	42,023
State intergovernmental	4,190,146	4,190,146	4,055,381	(134,765)
Miscellaneous revenue	302,782	202,782	190,928	(11,854)
Total Education Income	<u>15,067,251</u>	<u>13,706,655</u>	<u>13,588,242</u>	<u>(118,413)</u>
Miscellaneous				
Miscellaneous revenue	551,108	551,108	453,571	(97,537)
District court receipts	25,000	25,000		(25,000)
Miscellaneous fines and forfeits	18,600	18,600	16,249	(2,351)
Fundraising	10,000	10,000	5,500	(4,500)
Sale of city property	44,875	44,875	24,695	(20,180)
Investment income	100,000	25,000	197,372	172,372
Facilities rental	275,312	275,312	255,678	(19,634)
Interest on arrears			10,247	10,247
Equipment rental	2,000	2,000	2,010	10
Total Miscellaneous	<u>1,026,895</u>	<u>951,895</u>	<u>965,322</u>	<u>13,427</u>
Other Financing Sources				
Transfers in	647,940	647,940	569,677	(78,263)
Premium received from bonds issued		2,529,752	3,021,277	491,525
Other financing sources	140,000	140,000	137,935	(2,065)
Total Other Financing Sources	<u>787,940</u>	<u>3,317,692</u>	<u>3,728,889</u>	<u>411,197</u>
Total Revenues and Other Financing Sources	<u>\$ 101,006,924</u>	<u>\$ 102,792,900</u>	<u>\$ 103,196,375</u>	<u>\$ 403,475</u>

Detail Schedule of Expenditures and Other Financing Uses

Budget and Actual - General Fund

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
General Government				
City Council	\$ 407,686	\$ 407,686	\$ 402,600	\$ 5,086
Executive	864,566	875,566	874,711	855
Finance	1,739,467	1,739,467	1,712,440	27,027
Planning	642,382	631,382	592,645	38,737
Miscellaneous	1,190,293	1,296,293	1,296,156	137
Total General Government	<u>4,844,394</u>	<u>4,950,394</u>	<u>4,878,552</u>	<u>71,842</u>
Public Safety				
Police	7,801,851	7,949,851	7,948,882	969
Fire and rescue	8,248,269	8,221,269	8,168,980	52,289
Total Public Safety	<u>16,050,120</u>	<u>16,171,120</u>	<u>16,117,862</u>	<u>53,258</u>
Public Works				
Community Services - Public Works	6,652,331	6,348,331	6,306,306	42,025
Total Public Works	<u>6,652,331</u>	<u>6,348,331</u>	<u>6,306,306</u>	<u>42,025</u>
Culture and Recreation				
Recreation	2,095,972	2,084,972	2,065,621	19,351
Public Library	1,131,936	1,219,936	1,218,938	998
Total Culture and Recreation	<u>3,227,908</u>	<u>3,304,908</u>	<u>3,284,559</u>	<u>20,349</u>
Public welfare				
Public welfare	808,656	808,656	692,758	115,898
Total Public Welfare	<u>808,656</u>	<u>808,656</u>	<u>692,758</u>	<u>115,898</u>
Education				
School Department	46,687,263	46,776,263	46,740,214	36,049
Total Education	<u>46,687,263</u>	<u>46,776,263</u>	<u>46,740,214</u>	<u>36,049</u>
Debt Service				
Principal	7,010,776	6,924,776	6,784,173	140,603
Interest	4,391,806	3,375,305	3,258,405	116,900
Total Debt Service	<u>11,402,582</u>	<u>10,300,081</u>	<u>10,042,578</u>	<u>257,503</u>
Intergovernmental				
County tax	8,062,187	8,331,912	8,331,912	
Total Intergovernmental	<u>8,062,187</u>	<u>8,331,912</u>	<u>8,331,912</u>	
Transfers				
Transfer out	3,271,483	5,801,235	5,820,863	(19,628)
Total Transfers	<u>3,271,483</u>	<u>5,801,235</u>	<u>5,820,863</u>	<u>(19,628)</u>
Total Expenditures and Other Financing Uses	<u>\$ 101,006,924</u>	<u>\$ 102,792,900</u>	<u>\$ 102,215,604</u>	<u>\$ 577,296</u>
Excess of revenues and other sources over expenditures and other uses	<u>\$</u>	<u>\$</u>	<u>\$ 980,771</u>	<u>\$ 980,771</u>

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Combining Schedule of Revenues and Expenditures Budget and Actual

Annually Budgeted Non-Major Governmental Funds

For the Year Ended June 30, 2016

	Parking Activity		Variance Positive (Negative)
	Budget	Actual	
Revenues:			
Charges for services	\$ 672,223	\$ 765,196	\$ 92,973
Intergovernmental			
Miscellaneous			
Other financing sources			
Total Revenues	<u>672,223</u>	<u>765,196</u>	<u>92,973</u>
Expenditures:			
Public safety	428,306	417,506	10,800
Education			
Public works			
Culture and recreation			
Debt service	81,406	81,406	
Other financing uses	<u>173,301</u>	<u>198,301</u>	<u>(25,000)</u>
Total Expenditures	<u>683,013</u>	<u>697,213</u>	<u>(14,200)</u>
Revenues and other financing sources over (under) expenditures	<u>\$ (10,790)</u>	<u>\$ 67,983</u>	<u>\$ 78,773</u>

Residential Solid Waste			Library Fines		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$ 930,000	\$ 945,253	\$ 15,253	\$ 34,100	\$ 33,606	\$ (494)
9,556	11,111	1,555			
	2,171	2,171			
<u>35,728</u>		<u>(35,728)</u>	<u>23,952</u>		<u>(23,952)</u>
<u>975,284</u>	<u>958,535</u>	<u>(16,749)</u>	<u>58,052</u>	<u>33,606</u>	<u>(24,446)</u>
991,187	976,731	14,456			
40,000		40,000	58,052	36,083	21,969
<u>5,000</u>					
<u>1,036,187</u>	<u>976,731</u>	<u>54,456</u>	<u>58,052</u>	<u>36,083</u>	<u>21,969</u>
<u>\$ (60,903)</u>	<u>\$ (18,196)</u>	<u>\$ 42,707</u>	<u>\$</u>	<u>\$ (2,477)</u>	<u>\$ (2,477)</u>

Combining Schedule of Revenues and Expenditures Budget and Actual

Annually Budgeted Non-Major Governmental Funds

For the Year Ended June 30, 2016

	Tuition Programs		Variance Positive (Negative)
	Budget	Actual	
Revenues:			
Charges for services	\$ 125,000	\$ 115,835	\$ (9,165)
Intergovernmental			
Miscellaneous revenue			
Other financing sources			
Total Revenues	<u>125,000</u>	<u>115,835</u>	<u>(9,165)</u>
Expenditures:			
Public safety			
Education	125,000	115,835	9,165
Public works			
Culture and recreation			
Debt service			
Total Expenditures	<u>125,000</u>	<u>115,835</u>	<u>9,165</u>
Revenues and other financing sources over (under) expenditures	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>

School Alternative Education			School Facilities		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$ 266,668	\$ 157,374	\$ (109,294)	\$ 23,000	\$ 17,510	\$ (5,490)
			197,053	157,674	(39,379)
<u>392,700</u>	<u>392,700</u>		<u>220,053</u>	<u>175,184</u>	<u>(44,869)</u>
<u>659,368</u>	<u>550,074</u>	<u>(109,294)</u>			
659,368	663,875	(4,507)	220,053	196,673	23,380
<u>659,368</u>	<u>663,875</u>	<u>(4,507)</u>	<u>220,053</u>	<u>196,673</u>	<u>23,380</u>
\$ <u><u> </u></u>	\$ <u><u>(113,801)</u></u>	\$ <u><u>(113,801)</u></u>	\$ <u><u> </u></u>	\$ <u><u>(21,489)</u></u>	\$ <u><u>(21,489)</u></u>

Combining Schedule of Revenues and Expenditures Budget and Actual

Annually Budgeted Non-Major Governmental Funds

For the Year Ended June 30, 2016

	McConnell Center		
	Budget	Actual	Variance Positive (Negative)
Revenues:			
Charges for services	\$ 698,701	\$ 699,505	\$ 804
Intergovernmental			
Miscellaneous			
Other financing sources	130,192	130,206	14
Total Revenues	<u>828,893</u>	<u>829,711</u>	<u>818</u>
Expenditures:			
Public safety			
Education			
Public works			
Culture and recreation	446,911	472,015	(25,104)
Debt service	401,194	397,847	3,347
Total Expenditures	<u>848,105</u>	<u>869,862</u>	<u>(21,757)</u>
Revenues and other financing source over (under) expenditures	\$ <u>(19,212)</u>	\$ <u>(40,151)</u>	\$ <u>(20,939)</u>

Police DHA Fund			School Cafeteria		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$ 104,813	\$ 104,813	\$	\$ 860,000	\$ 759,409	\$ (100,591)
			764,111	792,163	28,052
			1,000	15,104	14,104
				29,737	29,737
<u>104,813</u>	<u>104,813</u>	<u></u>	<u>1,625,111</u>	<u>1,596,413</u>	<u>(28,698)</u>
104,813	99,157	5,656	1,625,111	1,615,247	9,864
<u>104,813</u>	<u>99,157</u>	<u>5,656</u>	<u>1,625,111</u>	<u>1,615,247</u>	<u>9,864</u>
<u>\$</u>	<u>\$ 5,656</u>	<u>\$ 5,656</u>	<u>\$</u>	<u>\$ (18,834)</u>	<u>\$ (18,834)</u>

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Enterprise Funds

Enterprise Funds were established to account for activities that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the activity be self-supporting based on user charges.

The City of Dover has the following Enterprise Funds:

Water Fund: To account for the operation of a water treatment plant, City wells and water system.

Sewer Fund: To account for the operation of a sewer treatment plant, pumping station and sewer lines.

DBIDA Fund: To account for the economic development projects of the Dover Business Industrial Development Authority (DBIDA), which operates under RSA 162-G.

No annual budget is adopted for the DBIDA Fund.

Proprietary Funds**Schedule of Revenues and Expenses - Budget and Actual****For the Year Ended June 30, 2016**

		Water Fund	
	Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
Operating Revenues:			
Operating revenue	\$ 4,795,901	\$ 4,961,889	\$ 165,988
Other	70,500	253,470	182,970
Total Operating Revenues	<u>4,866,401</u>	<u>5,215,359</u>	<u>348,958</u>
Operating Expenses:			
Personnel services	1,202,273	1,063,929	138,344
Purchased services	437,609	340,342	97,267
Supplies and materials	627,337	541,956	85,381
Minor equipment	291,388	192,821	98,567
Other	238,688	206,617	32,071
Depreciation	1,186,738	897,884	288,854
Total Operating Expenses	<u>3,984,033</u>	<u>3,243,549</u>	<u>740,484</u>
Operating Income (Loss)	<u>882,368</u>	<u>1,971,810</u>	<u>1,089,442</u>
Non-Operating Income (Expenses):			
Investment Income		153,041	153,041
Interest expense	(444,535)	(375,536)	68,999
Intergovernmental		46,579	46,579
Total Non-Operating Income (Expenses)	<u>(444,535)</u>	<u>(175,916)</u>	<u>268,619</u>
Net Income (Loss) Before Transfers	<u>437,833</u>	<u>1,795,894</u>	<u>1,358,061</u>
Other Financing Sources and Uses:			
Use of retained earnings			
Transfers out	(85,454)	(85,454)	
Total Other Financing Sources and Uses	<u>(85,454)</u>	<u>(85,454)</u>	
Net Income (Loss)	<u>\$ 352,379</u>	<u>\$ 1,710,440</u>	<u>\$ 1,358,061</u>

	Sewer Fund		
	Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
Operating Revenues:			
Operating revenue	\$ 6,326,947	\$ 6,451,471	\$ 124,524
Other	64,156	170,268	106,112
Total Operating Revenues	<u>6,391,103</u>	<u>6,621,739</u>	<u>230,636</u>
Operating Expenses:			
Personnel services	1,747,597	1,630,405	117,192
Purchased services	833,036	626,165	206,871
Supplies and materials	872,689	824,936	47,753
Minor equipment	189,311	189,311	
Other	338,888	292,397	46,491
Depreciation	2,322,280	2,189,075	133,205
Total Operating Expenses	<u>6,303,801</u>	<u>5,752,289</u>	<u>551,512</u>
Operating Income (Loss)	<u>87,302</u>	<u>869,450</u>	<u>782,148</u>
Non-Operating Income (Expenses):			
Investment Income		227,580	227,580
Interest expense	(569,102)	(396,427)	172,675
Intergovernmental	947,765	5,078	(942,687)
Total Non-Operating Income (Expenses)	<u>378,663</u>	<u>(163,769)</u>	<u>(542,432)</u>
Net Income (Loss) Before Transfers	<u>465,965</u>	<u>705,681</u>	<u>239,716</u>
Other Financing Sources and Uses:			
Use of retained earnings			
Transfers out	(262,254)	(262,254)	
Total Other Financing Sources and Uses	<u>(262,254)</u>	<u>(262,254)</u>	
Net Income (Loss)	<u>\$ 203,711</u>	<u>\$ 443,427</u>	<u>\$ 239,716</u>

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Internal Service Funds

- **Dover Net Fund** – To account for the costs related to the operations of the information technology network and the allocation of these costs to the various funds and functions.
- **Central Stores Fund** – To account for the costs related to the supplies, copiers and postage and the allocation of these costs to the various funds and functions based on actual use.
- **Fleet Maintenance Fund** – To account for the maintenance costs related to the vehicle fleet and the allocation of these costs to the various funds and functions based on actual use.
- **Workers Compensation Fund** – To account for the cost of administration, insurance and claims for workers compensation and the allocation of these costs to the various funds and functions based on historical wage and claims history.
- **OPEB Fund** – To account for the costs related to post-employment benefits other than pensions for eligible retirees and current employees.

Internal Service Funds**Combining Statement of Net Position**

June 30, 2016

	Dover Net Fund	Central Stores Fund	Fleet Maintenance Fund	Workers Compensation Fund	OPEB Fund	Total
ASSETS						
Current:						
Departmental and other receivables	\$ 33,922		\$ 5,569		\$ 13,637	\$ 53,128
Due from (to) other funds	678,129	\$ 46,855	168,516	\$ 121,059	(6,706)	1,007,853
Prepaid expenses				20,000		20,000
Inventory			75,270			75,270
Total Assets	<u>712,051</u>	<u>46,855</u>	<u>249,355</u>	<u>141,059</u>	<u>6,931</u>	<u>1,156,251</u>
LIABILITIES						
Current:						
Accounts payable	19,129	4,061	12,315	13,428		48,933
Accrued liabilities	7,941		7,498			15,439
Claims liability				94,000		94,000
Compensated absences	26,020		21,220			47,240
Total Current Liabilities	<u>53,090</u>	<u>4,061</u>	<u>41,033</u>	<u>107,428</u>		<u>205,612</u>
Non-current:						
Claims liability, net of current portion				172,000		172,000
Total Liabilities	<u>53,090</u>	<u>4,061</u>	<u>41,033</u>	<u>279,428</u>		<u>377,612</u>
NET Position						
Restricted for capital projects	81,425					81,425
Unrestricted	<u>577,536</u>	<u>42,794</u>	<u>208,322</u>	<u>(138,369)</u>	<u>6,931</u>	<u>697,214</u>
Total Net Position	<u>\$ 658,961</u>	<u>\$ 42,794</u>	<u>\$ 208,322</u>	<u>\$ (138,369)</u>	<u>\$ 6,931</u>	<u>\$ 778,639</u>

Internal Service Funds**Combining Statement of Revenues, Expenses
and Changes in Fund Net Position**

For Fiscal Year Ended June 30, 2016

	Dover Net Fund	Central Stores Fund	Fleet Maintenance Fund	Workers Compensation Fund	OPEB Fund	Total
Operating Revenues:						
Charges for services	\$ 387,645	\$ 88,787	\$ 848,166	\$ 536,358		\$ 1,860,956
Miscellaneous	<u>334,391</u>		<u>45,921</u>			<u>380,312</u>
Total Operating Revenues	<u>722,036</u>	<u>88,787</u>	<u>894,087</u>	<u>536,358</u>		<u>2,241,268</u>
Operating Expenses:						
Personal services	339,629		450,068	(137,248)	\$ 1,503,091	2,155,540
Purchased services	202,599	60,831	18,789	64,685		346,904
Supplies	28,631	29,913	12,983			71,527
Minor equipment	103,169		5,444			108,613
Other expenses			282,113	65,893		348,006
Total Operating Expenses	<u>674,028</u>	<u>90,744</u>	<u>769,397</u>	<u>(6,670)</u>	<u>1,503,091</u>	<u>3,030,590</u>
Operating Income (Loss)	<u>48,008</u>	<u>(1,957)</u>	<u>124,690</u>	<u>543,028</u>	<u>(1,503,091)</u>	<u>(789,322)</u>
Other Financing Sources (Uses)						
Transfer in (out)	(574)		(57,690)		1,321,154	1,262,890
Intergovernmental				53,323	77,825	131,148
Total Other Financing Sources (Uses)	<u>(574)</u>		<u>(57,690)</u>	<u>53,323</u>	<u>1,398,979</u>	<u>1,394,038</u>
Change in Net Position	47,434	(1,957)	67,000	596,351	(104,112)	604,716
Net Position at Beginning of Year	<u>611,527</u>	<u>44,751</u>	<u>141,322</u>	<u>(734,720)</u>	<u>111,043</u>	<u>173,923</u>
Net Position at End of Year	<u>\$ 658,961</u>	<u>\$ 42,794</u>	<u>\$ 208,322</u>	<u>\$ (138,369)</u>	<u>\$ 6,931</u>	<u>\$ 778,639</u>

Internal Service Funds

Combining Statement of Cash Flows

For Fiscal Year Ended June 30, 2016

	Dover Net Fund	Central Stores Fund	Fleet Maintenance Fund	Workers Compensation Fund	OPEB Fund	Total
Cash Flows From Operating Activities:						
Receipts from customers and users for services	\$ 731,814	\$ 88,787	\$ 894,405	\$ 536,358		\$ 2,251,364
Payments to vendors and contractors	(326,471)	(89,909)	(331,874)	(117,254)	\$ (1,400,388)	(2,265,896)
Payments of employee salaries and benefits	(333,731)		(451,897)	(483,556)		(1,269,184)
Receipts for interfund service provided		1,122		11,129	1,409	13,660
Payments for interfund service provided	(71,038)		(52,944)			(123,982)
Net Cash Provided By (Used For) Operating Activities	<u>574</u>		<u>57,690</u>	<u>(53,323)</u>	<u>(1,398,979)</u>	<u>(1,394,038)</u>
Cash Flows From Noncapital Financing Activities:						
Transfer in	(574)				1,321,154	1,320,580
Transfer out			(57,690)			(57,690)
Intergovernmental subsidy				53,323	77,825	131,148
Net Cash Provided By Noncapital Financing Activities	<u>(574)</u>		<u>(57,690)</u>	<u>53,323</u>	<u>1,398,979</u>	<u>1,394,038</u>
Cash and Short Term Investments, Beginning of Year						
Cash and Short Term Investments, End of Year	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Reconciliation of Operating Income to Net Cash						
Provided by (Used For) Operating Activities:						
Operating income (loss)	\$ 48,008	\$ (1,957)	\$ 124,690	\$ 543,028	\$ (1,503,091)	\$ (789,322)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Changes in assets and liabilities:						
Inventory			(2,367)			(2,367)
Departmental and other receivables	9,778		318		(13,637)	(3,541)
Interfund receivables/payables	(71,038)	1,122	(52,944)	11,129	1,409	(110,322)
Other assets			1,514		116,340	117,854
Accounts payable	7,928	835	(11,692)	13,324		10,395
Accrued liabilities	(300)		(71)	(620,804)		(621,175)
Compensated absences	6,198		(1,758)			4,440
Net Cash Provided By (Used For) Operating Activities	<u>\$ 574</u>	<u>\$</u>	<u>\$ 57,690</u>	<u>\$ (53,323)</u>	<u>\$ (1,398,979)</u>	<u>\$ (1,394,038)</u>

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Internal Service Funds

Schedule of Revenues and Expenses - Budget and Actual

For the Year Ended June 30, 2016

	Dover Net Fund		
	Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
Operating Revenues:			
Charges for services	\$ 388,215	\$ 387,645	\$ (570)
Other revenue	306,579	334,391	27,812
Total Operating Revenues	<u>694,794</u>	<u>722,036</u>	<u>27,242</u>
Operating Expenses:			
Personnel services	417,756	339,964	77,792
Purchased services	243,654	207,809	35,845
Supplies and materials	42,498	28,175	14,324
Minor equipment	300,314	99,374	200,940
Other			
Total Operating Expenses	<u>1,004,222</u>	<u>675,322</u>	<u>328,901</u>
Operating Income (Loss)	(309,428)	46,715	356,143
Non-Operating Income (Expenses)			
Intergovernmental			
Net Income (Loss) Before Transfers	<u>(309,428)</u>	<u>46,715</u>	<u>356,143</u>
Other Financing Sources and Uses			
Use of retained earnings	100,417		(100,417)
Transfers in			
Transfers out	<u>(574)</u>	<u>(574)</u>	
Total Other Financing Sources and Uses	<u>99,843</u>	<u>(574)</u>	<u>(100,417)</u>
Net Income (Loss)	<u>\$ (209,585)</u>	<u>\$ 46,141</u>	<u>\$ 255,726</u>

	Central Stores Fund		
	Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
Operating Revenues:			
Charges for services	\$ 105,160	\$ 88,787	\$ (16,373)
Other revenue			
Total Operating Revenues	<u>105,160</u>	<u>88,787</u>	<u>(16,373)</u>
Operating Expenses:			
Personnel services			
Purchased services	65,710	64,437	1,273
Supplies and materials	39,450	29,913	9,537
Minor equipment			
Other			
Total Operating Expenses	<u>105,160</u>	<u>94,350</u>	<u>10,810</u>
Operating Income (Loss)		(5,563)	(5,563)
Non-Operating Income (Expenses)			
Intergovernmental			
Net Income (Loss) Before Transfers		<u>(5,563)</u>	<u>(5,563)</u>
Other Financing Sources and Uses			
Use of retained earnings			
Transfers in			
Transfers out			
Total Other Financing Sources and Uses			
Net Income (Loss)	\$ <u> </u>	\$ <u>(5,563)</u>	\$ <u>(5,563)</u>

	Fleet Maintenance Fund		
	Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
Operating Revenues:			
Charges for services	\$ 752,859	\$ 848,166	\$ 95,307
Other revenue	45,921	45,921	
Total Operating Revenues	<u>798,780</u>	<u>894,087</u>	<u>95,307</u>
Operating Expenses:			
Personnel services	444,329	455,326	(10,997)
Purchased services	15,931	18,789	(2,858)
Supplies and materials	18,613	12,811	5,802
Minor equipment	51,569	5,444	46,125
Other	231,594	282,113	(50,519)
Total Operating Expenses	<u>762,036</u>	<u>774,483</u>	<u>(12,447)</u>
Operating Income (Loss)	36,744	119,604	82,860
Non-Operating Income (Expenses)			
Intergovernmental			
Net Income (Loss) Before Transfers	<u>36,744</u>	<u>119,604</u>	<u>82,860</u>
Other Financing Sources and Uses			
Use of retained earnings	15,016		(15,016)
Transfers in			
Transfers out	<u>(57,690)</u>	<u>(57,690)</u>	
Total Other Financing Sources and Uses	<u>(42,674)</u>	<u>(57,690)</u>	<u>(15,016)</u>
Net Income (Loss)	<u>\$ (5,930)</u>	<u>\$ 61,914</u>	<u>\$ 67,844</u>

	Workers Compensation Fund		
	Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
Operating Revenues:			
Charges for services	\$ 670,853	\$ 536,358	\$ (134,495)
Other revenue			
Total Operating Revenues	<u>670,853</u>	<u>536,358</u>	<u>(134,495)</u>
Operating Expenses:			
Personnel services	601,436	(137,248)	738,684
Purchased services	12,522	64,685	(52,163)
Supplies and materials			
Minor equipment			
Other	56,895	65,893	(8,998)
Total Operating Expenses	<u>670,853</u>	<u>(6,670)</u>	<u>677,523</u>
Operating Income (Loss)		543,028	543,028
Non-Operating Income (Expenses)			
Intergovernmental		53,323	53,323
Net Income (Loss) Before Transfers		<u>596,351</u>	<u>596,351</u>
Other Financing Sources and Uses			
Use of retained earnings			
Transfers out			
Total Other Financing Sources and Uses			
Net Income (Loss)	<u>\$</u>	<u>\$ 596,351</u>	<u>\$ 596,351</u>

	OPEB Fund		
	Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
Operating Revenues:			
Charges for services			
Other revenue			
Total Operating Revenues			
Operating Expenses:			
Personnel services	\$ 1,301,526	\$ 1,503,091	\$ (201,565)
Purchased services			
Supplies and materials			
Minor equipment			
Other			
Total Operating Expenses	<u>1,301,526</u>	<u>1,503,091</u>	<u>(201,565)</u>
Operating Income (Loss)	(1,301,526)	(1,503,091)	(201,565)
Non-Operating Income (Expenses)			
Intergovernmental		<u>77,825</u>	<u>77,825</u>
Net Income (Loss) Before Transfers	<u>(1,301,526)</u>	<u>(1,425,266)</u>	<u>(123,740)</u>
Other Financing Sources and Uses			
Use of retained earnings			
Transfers in	1,301,526	1,321,154	19,628
Transfers out			
Total Other Financing Sources and Uses	<u>1,301,526</u>	<u>1,321,154</u>	<u>19,628</u>
Net Income (Loss)	\$ <u></u>	\$ <u>(104,112)</u>	\$ <u>(104,112)</u>

Fiduciary Funds

Fiduciary Funds account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, and other funds.

Agency Funds:

- Performance Bonds – To account for funds received from contractors doing work for the City to insure the City against the contractor's failure to complete the request.
- Chamber of Commerce – To account for funds received from Chamber of Commerce for its Riverwalk Project.
- Department Agency – To account for funds received from other organizations for activities administered by various City departments.
- School Agency – To account for funds received from other organizations for activities administered by the Dover School Department.

Private Purpose Funds:

- Cemetery – To account for private donations left in trust to maintain graves and provide flowers.
- Parks and Recreation – To account for private donations left in trust to assist individuals attending various recreational programs.
- Welfare – To account for private donations left in trust for the benefit of low or moderate income individuals.
- School – To account for private donations left in trust mainly for the benefit of providing scholarships to high school graduates.

Agency Funds**Combining Statement of Assets and Liabilities**

June 30, 2016

	Performance Deposits	Chamber of Commerce	Department Agency	School Agency	Total
ASSETS					
Cash and short-term investments				\$ 309,849	\$ 309,849
Due from other funds	\$ 1,042,549	\$ 3,083	\$ 115,519	25,382	1,186,533
Total Assets	<u>\$ 1,042,549</u>	<u>\$ 3,083</u>	<u>\$ 115,519</u>	<u>\$ 335,231</u>	<u>\$ 1,496,382</u>
LIABILITIES					
Other liabilities	\$ 1,042,549	\$ 3,083	\$ 115,519	\$ 335,231	\$ 1,496,382
Total Liabilities	<u>\$ 1,042,549</u>	<u>\$ 3,083</u>	<u>\$ 115,519</u>	<u>\$ 335,231</u>	<u>\$ 1,496,382</u>

Agency Funds

Combining Statement of Changes in Assets and Liabilities

For the Fiscal Year Ended June 30, 2016

	Balance July 1, 2015	Additions	Deductions	Balance June 30, 2016
Performance Deposits				
Assets - due from other funds	\$ <u>715,088</u>	\$ <u>468,162</u>	\$ <u>(140,701)</u>	\$ <u>1,042,549</u>
Liabilities - other liabilities	\$ <u>715,088</u>	\$ <u>595,663</u>	\$ <u>(268,202)</u>	\$ <u>1,042,549</u>
Chamber of Commerce				
Assets - due from other funds	\$ <u>3,083</u>	\$ <u></u>	\$ <u></u>	\$ <u>3,083</u>
Liabilities - other liabilities	\$ <u>3,083</u>	\$ <u></u>	\$ <u></u>	\$ <u>3,083</u>
Department Agency				
Assets - due from other funds	\$ <u>111,134</u>	\$ <u>28,377</u>	\$ <u>(23,992)</u>	\$ <u>115,519</u>
Liabilities - other liabilities	\$ <u>111,134</u>	\$ <u>59,885</u>	\$ <u>(55,500)</u>	\$ <u>115,519</u>
School Agency				
Assets - cash	\$ <u>379,139</u>	\$ <u>635,080</u>	\$ <u>(704,370)</u>	\$ <u>309,849</u>
Assets - due from other funds	<u>10,803</u>	<u>35,021</u>	<u>(20,442)</u>	<u>25,382</u>
Total Assets	\$ <u>389,942</u>	\$ <u>670,101</u>	\$ <u>(724,812)</u>	\$ <u>335,231</u>
Liabilities - other liabilities	\$ <u>389,942</u>	\$ <u>722,837</u>	\$ <u>(777,548)</u>	\$ <u>335,231</u>
Totals				
Assets - cash	\$ <u>379,139</u>	\$ <u>635,080</u>	\$ <u>(704,370)</u>	\$ <u>309,849</u>
Assets - due from other funds	<u>840,108</u>	<u>531,560</u>	<u>(185,135)</u>	<u>1,186,533</u>
Total Assets	\$ <u>1,219,247</u>	\$ <u>1,166,640</u>	\$ <u>(889,505)</u>	\$ <u>1,496,382</u>
Liabilities - other liabilities	\$ <u>1,219,247</u>	\$ <u>1,378,385</u>	\$ <u>(1,101,250)</u>	\$ <u>1,496,382</u>

Private Purpose Trust Funds

Combining Statement of Fiduciary Net Position

June 30, 2016

	Cemetery	Parks and Recreation	Welfare	School	Total
ASSETS					
Due from other funds	\$ 209,749	\$ 55,007	\$ 160,803	\$ 456,660	\$ 882,219
Total Assets	<u>\$ 209,749</u>	<u>\$ 55,007</u>	<u>\$ 160,803</u>	<u>\$ 456,660</u>	<u>\$ 882,219</u>
LIABILITIES AND NET ASSETS					
Accounts payable	_____	_____	_____	_____	_____
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION					
Total Net Position Held in Trust	<u>\$ 209,749</u>	<u>\$ 55,007</u>	<u>\$ 160,803</u>	<u>\$ 456,660</u>	<u>\$ 882,219</u>

Private Purpose Trust Funds

Combining Statement of Changes in Fiduciary Net Position

For Fiscal Year Ended June 30, 2016

	Cemetery	Parks and Recreation	Welfare	School	Total
Additions:					
Investment income	\$ 4,219	\$ 1,116	\$ 4,676	\$ 15,635	\$ 25,646
Total Additions	4,219	1,116	4,676	15,635	25,646
Deductions:					
Disbursements by agent	2,840	245	1,025	17,561	21,671
Total Deductions	2,840	245	1,025	17,561	21,671
Net Increase	1,379	871	3,651	(1,926)	3,975
Net Position:					
Beginning of Year	208,370	54,136	157,152	458,586	878,244
End of Year	<u>\$ 209,749</u>	<u>\$ 55,007</u>	<u>\$ 160,803</u>	<u>\$ 456,660</u>	<u>\$ 882,219</u>

STATISTICAL SECTION

City of Dover, New Hampshire

Statistical Section

The City of Dover's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

	<u>Page</u>
Financial Trends	
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	149 -157
Revenue Capacity	
These schedules contain information to help reader assess the government's most significant local revenue source, the property tax.	158 -163
Debt Capacity	
These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	164 -166
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	167 -168
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	169 -174

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

City of Dover, New Hampshire

Net Position by Component

Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year										
	2007	2008	2009	2010	2011	2012	2013	2014 (2)	2015 (1)	2016	
Governmental Activities											
Net investment in capital assets											
Restricted	\$ 57,412,322	\$60,502,720	\$ 76,018,355	\$ 80,024,915	\$ 84,864,320	\$ 87,621,792	\$ 94,608,955	\$ 97,393,335	\$ 104,384,508	\$ 102,213,192	
Unrestricted	220,307	706,657	239,761	357,330	3,755,675	3,831,773	4,176,355	4,803,592	5,113,564	5,017,551	
Total governmental activities net position	2,143,471	1,555,309	(4,425,923)	(4,286,357)	(3,828,764)	(13,020,114)	(15,040,301)	(66,283,351)	(93,885,155)	(85,246,101)	
	\$ 59,776,700	\$ 62,764,686	\$ 71,832,213	\$ 76,085,888	\$ 81,791,211	\$ 78,433,451	\$ 83,745,009	\$ 35,913,576	\$ 15,612,917	\$ 21,964,642	
Business-type activities											
Net investment in capital assets											
Restricted	\$ 49,735,238	\$ 51,471,577	\$ 46,561,358	\$ 48,633,637	\$ 50,765,070	\$ 49,606,632	\$ 50,399,796	\$ 49,645,760	\$ 54,075,727	\$ 54,216,135	
Unrestricted	3,619,664	5,630,120	6,388,298	6,692,028	1,694,773	-	5,002,798	12,740,179	11,744,340	9,582,993	
Total business-type activities net position	1,527,399	(2,037,985)	5,702,564	2,367,829	5,792,867	8,189,888	4,252,345	(2,992,328)	(6,063,394)	(1,492,471)	
	\$ 54,882,301	\$ 55,063,712	\$ 58,652,220	\$ 57,693,494	\$ 58,252,710	\$ 57,796,520	\$ 59,654,939	\$ 59,393,611	\$ 59,756,673	\$ 62,306,657	
Primary government											
Net investment in capital assets											
Restricted	\$ 107,147,560	\$ 111,974,297	\$ 122,579,713	\$ 128,658,552	\$ 135,629,390	\$ 137,228,424	\$ 145,008,751	\$ 147,039,095	\$ 158,480,235	\$ 156,429,327	
Unrestricted	3,840,571	6,336,777	6,628,079	7,049,358	5,450,448	3,831,773	9,179,153	17,543,771	16,857,904	14,600,544	
Total primary government net position	3,670,870	(482,676)	(1,276,641)	(1,928,528)	(1,035,917)	(4,830,226)	(10,787,956)	(69,275,679)	(99,948,549)	(86,738,572)	
	\$ 114,659,001	\$ 117,828,398	\$ 130,484,433	\$ 133,779,362	\$ 140,043,921	\$ 136,229,971	\$ 143,399,948	\$ 95,307,187	\$ 75,369,590	\$ 84,291,299	

Data Source:

Audited Financial Statements

Notes:

- (1) Total Net Position as restated for Fiscal Year ending June 30, 2015. Restatement resulting from implementation of GASB No. 75.
- (2) Total Net Position as restated for Fiscal Year ending June 30, 2014. Restatement resulting from implementation of GASB No. 68.

City of Dover, New Hampshire

Changes in Net Position

Last Ten Fiscal Years
(actual basis of accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Governmental activities										
Governmental government	\$ 3,544,147	\$ 4,026,000	\$ 3,483,389	\$ 6,120,791	\$ 6,057,408	\$ 7,187,527	\$ 7,411,338	\$ 8,901,013	\$ 8,552,210	\$ 8,552,210
Public safety	13,674,469	14,680,578	16,154,068	17,405,207	16,502,701	16,301,615	17,030,785	17,699,443	17,517,777	17,558,603
Public works	8,380,719	8,289,627	10,621,605	11,922,320	4,881,919	16,831,168	6,984,215	12,088,715	8,354,042	8,354,042
Culture and recreation	3,655,755	3,669,304	3,498,668	3,313,255	3,325,068	3,298,827	3,584,501	3,672,041	3,672,041	3,672,041
Education	45,032,313	45,032,313	45,032,313	45,032,313	45,032,313	45,032,313	45,032,313	45,032,313	45,032,313	45,032,313
Public health	1,445,035	1,609,841	740,725	681,068	48,131,186	846,622	144,850	771,588	737,746	737,746
Intergovernmental - County Tax	5,760,204	5,922,221	6,772,323	7,030,640	7,303,871	7,303,871	7,521,254	7,771,799	8,057,565	8,331,912
Interest	2,813,584	3,098,791	3,311,431	3,347,626	3,448,823	3,146,142	3,216,334	3,126,889	3,760,619	3,634,735
Miscellaneous	62,359,217	85,927,425	90,196,114	92,758,559	90,453,309	101,365,705	94,115,943	94,780,697	105,999,018	104,097,395
Total governmental activities expenses	\$ 130,610,718	\$ 145,245,597	\$ 159,245,597	\$ 162,226,103	\$ 159,653,013	\$ 170,243,709	\$ 183,115,251	\$ 194,251,581	\$ 195,969,650	\$ 195,969,650
Business-type activities										
Water services	3,544,715	3,439,625	3,369,025	3,145,551	3,144,369	3,618,587	3,678,337	3,701,217	3,321,477	3,321,477
Sewer services	5,043,665	5,017,000	5,472,966	5,426,802	5,227,382	5,545,924	5,866,950	5,995,484	6,156,807	5,848,208
Arenas services	1,481,949	1,427,762	35,516	-	-	-	-	-	-	-
DBIDA services	144,500	138,441	177,885	298,878	312,954	185,463	134,900	144,643	141,568	161,027
Total business-type activities expenses	\$ 9,974,862	\$ 10,013,245	\$ 9,027,333	\$ 8,874,331	\$ 8,584,703	\$ 9,160,004	\$ 9,680,518	\$ 9,798,474	\$ 9,620,413	\$ 9,333,400
Total primary government expenses	\$ 140,585,580	\$ 155,258,842	\$ 168,272,930	\$ 171,100,434	\$ 168,237,716	\$ 179,403,713	\$ 192,905,764	\$ 204,050,055	\$ 205,590,063	\$ 205,303,050
Program Revenues										
Governmental activities										
General government	\$ 1,310,610	\$ 1,148,111	\$ 916,590	\$ 2,085,157	\$ 1,631,363	\$ 1,577,007	\$ 2,216,125	\$ 3,729,530	\$ 2,676,860	\$ 2,963,873
Public safety	1,275,129	1,338,480	1,794,457	1,872,860	2,339,389	2,295,257	2,541,417	2,803,827	3,447,199	3,148,192
Public works	1,544,584	2,399,764	1,253,462	1,231,521	1,181,907	1,128,652	1,200,993	1,191,460	1,265,387	1,265,387
Culture and recreation	14,030,649	14,070,266	14,828,860	7,167,991	6,379,842	6,298,841	5,570,386	5,141,522	5,708,992	5,670,387
Education	55,192	180,465	82,006	81,655	214,171	213,295	292,294	161,041	12,908	20,252
Public Welfare	-	-	-	-	-	-	-	-	-	-
Miscellaneous	19,295,833	20,533,752	18,929,317	14,109,552	13,659,393	13,369,393	14,790,310	15,003,669	14,745,681	14,745,681
Total charges for services	\$ 7,005,386	\$ 7,082,484	\$ 6,279,718	\$ 6,564,622	\$ 6,469,824	\$ 6,469,824	\$ 6,469,824	\$ 6,469,824	\$ 6,469,824	\$ 6,469,824
Capital grants and contributions	970,772	1,026,815	2,993,635	904,887	119,481	660,251	643,193	789,934	707,009	673,704
Total governmental activities program revenues	\$ 26,846,971	\$ 27,333,031	\$ 32,492,351	\$ 32,899,388	\$ 29,854,909	\$ 28,260,568	\$ 28,190,000	\$ 27,498,670	\$ 30,360,034	\$ 30,765,506
Business-type activities										
Charges for services	3,379,209	4,011,562	3,986,112	3,861,121	4,071,077	4,272,878	4,680,037	4,825,940	5,071,805	5,190,575
Water services	3,137,078	3,745,033	4,060,356	4,095,345	4,536,984	4,572,476	5,353,449	5,640,241	6,013,239	6,735,265
Sewer services	1,461,471	1,468,829	1,465,829	1,465,829	1,465,829	1,465,829	1,465,829	1,465,829	1,465,829	1,465,829
DBIDA services	268,973	338,353	129,255	175,787	168,854	83,157	1,200	2,400	2,400	1,200
Total charges for services	\$ 8,877,534	\$ 9,847,746	\$ 8,176,083	\$ 8,232,253	\$ 9,246,815	\$ 9,246,815	\$ 10,034,686	\$ 10,668,581	\$ 11,487,444	\$ 11,927,040
Operating grants and contributions	652,376	240,877	424,092	134,511	77,679	27,913	1,386,909	759,539	1,266,827	51,657
Total business-type activities program revenues	\$ 9,429,809	\$ 10,088,623	\$ 8,600,175	\$ 8,366,864	\$ 9,324,494	\$ 9,324,494	\$ 11,421,595	\$ 11,419,120	\$ 12,754,271	\$ 11,978,697
Total primary government program revenues	\$ 36,376,860	\$ 38,021,654	\$ 41,092,526	\$ 41,266,252	\$ 39,379,403	\$ 37,326,994	\$ 39,611,595	\$ 41,168,790	\$ 43,134,305	\$ 42,764,203
Net (Expense)/Revenue										
Governmental activities	\$ (54,142,246)	\$ (57,694,394)	\$ (57,703,653)	\$ (59,857,571)	\$ (60,498,400)	\$ (73,085,137)	\$ (65,925,043)	\$ (74,108,984)	\$ (73,311,883)	\$ (73,311,883)
Business-type activities	(544,983)	75,376	(452,218)	(1,104,387)	469,790	(203,578)	1,871,077	1,602,846	2,774,639	2,647,390
Total primary government net expense	\$ (55,957,229)	\$ (57,919,016)	\$ (58,155,871)	\$ (60,961,958)	\$ (60,028,610)	\$ (73,288,715)	\$ (64,103,966)	\$ (72,506,138)	\$ (70,537,244)	\$ (70,664,493)
General Revenues and Other Changes in Net Position										
Governmental activities										
Property taxes	\$ 52,129,249	\$ 55,635,213	\$ 58,489,588	\$ 60,266,022	\$ 61,772,865	\$ 65,534,332	\$ 65,379,619	\$ 68,395,136	\$ 71,316,622	\$ 73,844,836
Sales taxes	3,137,078	3,745,033	4,060,356	4,095,345	4,536,984	4,572,476	5,353,449	5,640,241	6,013,239	6,735,265
Penalties, interest and other fees	16,000	25,037	8,354	307,005	358,584	417,100	445,156	500,025	414,868	375,076
Unrestricted investment income/loss	1,811,976	1,110,037	16,804	(108,988)	718,992	(117,927)	115,400	538,291	188,556	242,475
Other revenue	447,325	208,790	494,190	207,449	96,760	284,616	925,015	193,345	330,930	134,784
Gain/(Loss) on sale of capital assets	-	-	-	-	-	-	-	-	-	-
Gain/(Loss) on sale of non-capital assets	-	-	-	-	-	-	-	-	-	-
Transfers, net	-	-	(1,227,259)	(130,000)	(62,120)	(40,802)	(34,618)	(1,316,280)	(44,930)	123,193
Total governmental activities	\$ 58,331,628	\$ 60,882,360	\$ 61,473,802	\$ 64,109,664	\$ 68,207,293	\$ 69,727,377	\$ 71,226,127	\$ 72,579,367	\$ 76,830,330	\$ 79,893,618
Business-type activities										
Investment income	86,533	106,033	40,213	15,641	7,309	3,146	2,223	865	19,046	25,887
Other revenue	-	-	-	-	-	-	-	-	-	-
Gain/(Loss) on sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers, net	-	-	1,227,259	130,000	82,120	40,802	34,618	7,330	44,930	(123,193)
Total business-type activities	\$ 86,533	\$ 106,033	\$ 40,213	\$ 15,641	\$ 7,309	\$ 3,146	\$ 2,223	\$ 865	\$ 19,046	\$ 25,887
Total primary government	\$ 58,418,161	\$ 61,088,413	\$ 61,514,015	\$ 64,125,305	\$ 68,214,602	\$ 69,730,523	\$ 71,228,350	\$ 72,580,232	\$ 76,849,376	\$ 79,919,505
Changes in Net Position										
Governmental activities	\$ 2,819,382	\$ 2,897,966	\$ 3,770,149	\$ 4,251,893	\$ 5,702,893	\$ (3,357,760)	\$ 5,301,084	\$ 7,548,430	\$ 2,121,346	\$ 6,371,725
Business-type activities	(458,450)	181,411	815,254	(988,780)	559,219	(120,999)	1,857,918	1,610,841	2,638,615	2,649,894
Total primary government	\$ 2,460,932	\$ 3,079,377	\$ 4,585,403	\$ 3,263,113	\$ 6,262,112	\$ (3,247,755)	\$ 7,159,002	\$ 9,159,271	\$ 4,759,961	\$ 9,021,619

Data Source

Audited Financial Statements

Notes

(1) In FY2009 the Arena Fund was dissolved into the General Fund

City of Dover, New Hampshire

Fund Balances, Governmental Funds

Last Ten Fiscal Years
(modified accrual basis of accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Reserved										
Nonspendable	\$ 4,025,592	\$ 3,948,069	\$ 2,309,013	\$ 3,273	\$ 3,821	\$ 3,144	\$ -	\$ 3,189	\$ 2,910	\$ 4,711
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	732,278	806,786	823,847	666,026	742,947	548,143	623,698
Assigned	-	-	-	1,785,338	1,658,291	2,221,108	1,946,182	2,026,919	2,629,447	2,353,322
Unassigned	-	-	-	5,473,996	5,941,993	7,285,807	8,791,826	13,332,024	15,368,593	16,529,005
Unreserved	5,068,952	5,584,935	5,114,311	-	-	-	-	-	-	-
Total General Fund	\$ 9,094,544	\$ 9,533,004	\$ 7,423,324	\$ 7,994,885	\$ 8,410,891	\$ 10,333,906	\$ 11,408,128	\$ 16,105,079	\$ 18,549,093	\$ 19,510,736

All Other Governmental funds										
Nonspendable	\$ -	\$ -	\$ -	\$ 1,587,830	\$ 1,846,692	\$ 1,914,358	\$ 1,904,659	\$ 2,220,330	\$ 2,307,402	\$ 2,294,202
Restricted Special Revenues	-	-	-	4,365,197	1,955,496	1,983,730	2,308,974	2,610,715	2,872,323	2,802,941
Restricted Capital Projects	-	-	-	13,874,051	5,645,164	6,844,332	4,161,412	31,080,546	18,509,670	71,973,699
Committed - Special Revenues	-	-	-	895,930	3,086,889	3,348,329	3,511,216	4,472,711	4,877,305	7,504,243
Committed - Capital Projects	-	-	-	322,107	784,738	1,439,523	2,243,338	2,870,797	3,771,215	4,507,685
Unassigned - Special Revenue	-	-	-	(1,215,514)	(1,207,470)	(1,172,470)	(1,046,459)	(912,035)	(1,255,994)	(1,490,241)
Unassigned - Capital Projects	-	-	-	(1,312,766)	(1,665,817)	(1,668,358)	(2,225,177)	(1,932,286)	(2,724,274)	(4,271,563)
Reserved	11,055,514	8,181,128	5,914,151	-	-	-	-	-	-	-
Unreserved, reported in										
Special Revenue Funds	4,839,885	5,344,127	4,727,590	-	-	-	-	-	-	-
Capital Project Funds	10,272,747	2,070,246	6,315,773	-	-	-	-	-	-	-
Total All Other Governmental funds	\$26,168,146	\$15,595,501	\$16,957,514	\$18,516,835	\$10,445,692	\$12,689,444	\$10,857,963	\$40,410,778	\$28,357,647	\$83,320,946

Data Source:
Audited Financial Statements

Notes:

- (1) Recalculated Fiscal Year 2010 fund balances to show comparison of GASB Statement No. 54 to Fiscal Year 2011.
- (2) Fiscal Year 2011 is the initial year of implementation of GASB Statement No. 54.

City of Dover, New Hampshire

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years
(modified accrual basis of accounting)

Revenues	2007	2008	2009	2010	Fiscal Year					2016
					2011	2012	2013	2014	2015	
Taxes	\$51,923,895	\$ 55,528,287	\$ 58,276,107	\$ 60,176,461	\$ 61,609,630	\$ 64,983,178	\$ 66,891,169	\$ 69,598,135	\$ 71,934,718	\$ 74,132,284
Licenses and permits	4,704,073	4,458,346	4,347,705	4,230,271	4,706,025	4,485,076	5,177,215	5,359,187	6,241,899	6,388,773
Intergovernmental	7,577,132	6,914,873	10,778,255	11,704,972	8,669,775	8,154,896	8,155,189	7,366,969	7,159,590	7,138,434
Current service charges	5,699,435	7,272,458	7,092,059	6,880,432	7,689,502	7,341,861	7,056,148	7,452,330	7,990,234	7,695,901
Education	11,944,765	11,954,934	12,700,692	13,637,769	12,856,890	12,424,970	11,394,950	11,796,966	13,111,441	13,666,548
Miscellaneous revenue	3,221,740	2,456,173	2,238,920	651,276	1,392,214	692,808	992,739	3,097,091	1,664,654	1,754,594
Total revenues	85,071,040	88,585,071	95,433,738	97,281,181	96,924,036	98,082,789	99,767,450	104,670,708	108,102,536	110,777,334
Expenditures										
General government	\$ 3,768,761	\$ 4,667,786	\$ 3,887,489	\$ 4,254,050	\$ 4,194,840	\$ 4,047,895	\$ 4,254,368	\$ 4,131,144	\$ 4,719,204	\$ 5,483,243
Public safety	12,527,349	12,315,515	12,983,903	14,229,070	14,169,409	13,961,369	14,674,961	15,606,039	15,908,318	17,334,689
Public works	6,620,093	5,396,667	6,087,921	8,677,677	4,466,543	5,371,344	3,001,813	4,899,207	5,239,379	4,969,552
Culture and recreation	3,164,802	2,724,950	3,789,731	3,713,823	3,558,306	3,577,308	3,605,724	3,890,294	3,915,032	4,090,534
Education	40,788,339	42,991,635	44,840,166	44,017,518	46,812,153	45,773,509	46,140,129	46,109,607	49,009,498	52,061,238
Public Welfare	1,422,465	1,067,523	1,129,423	1,205,134	1,220,988	1,307,365	1,432,589	1,186,220	1,113,325	1,161,043
Intergovernmental	5,750,204	5,922,221	6,772,323	7,030,640	7,033,271	7,303,817	7,521,254	7,771,799	8,057,565	8,331,912
Capital outlay (1)	17,072,862	14,066,205	13,032,244	11,501,504	11,934,296	5,015,237	8,711,942	6,652,837	16,098,818	24,839,436
Debt service	4,740,087	6,215,838	6,645,849	6,624,599	6,954,496	7,758,142	6,871,400	6,682,111	7,380,850	7,392,481
Principal	2,668,222	3,350,916	3,148,136	3,307,087	3,484,400	3,181,159	3,239,002	3,032,425	3,744,660	3,770,812
Interest	98,523,184	98,719,256	102,337,185	104,861,102	103,818,702	97,297,185	99,453,182	99,961,683	115,187,649	129,454,940
Total expenditures	(13,452,144)	(10,134,185)	(6,903,447)	(7,579,921)	(6,894,656)	785,604	314,268	4,709,025	(7,085,113)	(18,677,606)
Excess of revenues	\$ 18,196,000	-	\$ 8,545,000	\$ 9,839,000	\$ 250,000	\$ 4,800,000	-	\$ 29,898,310	\$ 110,058	\$ 73,900,000
Over(under) expenditures	63,961	-	-	260,390	-	713,942	697,521	1,805,936	2,531,902	3,021,277
Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-	-
Proceeds from borrowing	-	-	-	-	-	-	-	-	-	-
Bond Premium	-	-	-	8,790,000	-	8,530,000	-	-	19,587,404	-
Refunding Bond Issuance	-	-	-	(9,050,390)	-	(9,192,189)	-	-	(22,119,306)	-
Payment to Refunding Escrow	-	-	-	-	-	-	-	-	-	-
Transfers in	1,183,029	1,093,416	1,498,009	1,178,796	1,513,089	1,594,601	1,891,438	1,495,120	1,483,906	4,322,379
Transfers out	(1,183,029)	(1,093,416)	(2,685,641)	(1,308,764)	(2,525,138)	(3,064,852)	(3,658,760)	(3,658,760)	(4,117,968)	(6,856,543)
Total governmental activities	18,259,961	-	7,357,368	9,709,000	(762,049)	3,381,502	(1,077,420)	29,540,006	(2,524,004)	74,387,113
Net Change in fund balances	\$ 4,807,817	\$ (10,134,185)	\$ 453,921	\$ 2,129,079	\$ (7,656,715)	\$ 4,167,106	\$ (763,152)	\$ 34,249,631	\$ (9,609,117)	\$ 55,709,507
Debt Service as a percentage of non-capital outlay expenditures	9.1%	11.3%	11.0%	10.6%	11.4%	11.9%	11.1%	10.4%	11.2%	10.7%
Data Source:										
Audited Financial Statements										

Notes

- (1) Capital outlay expenditures are presented within other function categories on page 39.
- (2) Gross amounts of transfers in and out are presented here, while transfers between nonmajor governmental funds have been eliminated on page 39.

City of Dover, New Hampshire

Changes in Fund Balances, General Fund

Last Ten Fiscal Years
(modified accrual basis of accounting)

	2007	2008	2009	2010	2011	Fiscal Year		2013	2014	2015	2016
Revenues											
Taxes	\$ 51,416,226	\$ 55,152,120	\$ 58,047,052	\$ 59,716,911	\$ 61,423,333	\$ 64,887,292	\$ 66,723,579	\$ 68,502,104	\$ 71,659,054	\$ 73,715,276	
Licenses and permits	4,702,403	4,456,916	4,159,499	4,033,837	4,365,496	4,251,360	4,712,167	5,043,259	5,659,413	5,972,416	
Intergovernmental	2,799,048	2,761,290	3,762,458	2,959,288	2,890,931	2,563,487	2,523,877	2,524,142	2,629,382	2,705,789	
Current service charges	1,293,887	1,220,717	2,702,644	2,811,409	2,853,210	3,018,628	2,816,587	3,164,247	3,150,443	3,146,171	
Education	11,944,765	11,954,934	12,700,892	13,637,769	12,856,890	12,424,970	11,394,990	11,796,996	13,111,441	13,666,548	
Miscellaneous revenue	2,001,869	1,888,508	702,508	351,686	289,266	210,094	239,271	1,681,619	783,428	863,746	
Total revenues	74,158,198	77,434,485	82,074,853	83,510,900	84,679,126	87,355,831	88,410,471	93,692,367	96,992,761	100,069,946	
Expenditures by Function											
General government	\$ 4,707,754	4,691,917	3,870,728	\$ 3,935,300	\$ 4,216,767	\$ 4,082,660	\$ 4,296,218	\$ 4,428,283	\$ 4,628,669	\$ 5,228,131	
Public safety	11,303,843	11,396,359	12,444,070	12,548,669	12,653,659	12,277,684	13,181,881	14,176,746	14,728,479	15,893,783	
Public works	4,626,565	4,665,096	4,846,815	4,897,654	5,115,274	5,308,473	5,221,520	5,315,305	5,745,664	6,113,751	
Culture and recreation	2,284,641	2,301,415	3,256,539	3,131,978	3,034,671	2,979,609	2,917,619	2,950,854	3,167,956	3,192,983	
Education	35,528,132	37,141,062	39,029,285	40,382,145	40,029,006	40,131,390	41,077,160	41,226,133	44,021,229	46,490,579	
Public Welfare	604,200	658,979	687,415	693,536	783,832	847,807	864,401	753,649	719,391	686,705	
Intergovernmental	5,750,204	5,922,221	6,772,323	7,030,640	7,033,271	7,303,817	7,521,254	7,771,799	8,057,565	8,331,912	
Debt service											
Principal	4,700,087	6,010,838	6,425,849	6,404,599	6,724,496	6,615,142	6,563,165	6,367,111	6,751,550	6,784,173	
Interest	2,445,863	3,146,722	2,964,280	3,121,893	3,308,006	3,010,759	3,062,533	2,871,076	3,245,410	3,258,405	
Total expenditures	71,951,289	75,934,609	80,297,304	82,146,414	82,898,982	82,557,341	84,705,751	85,860,956	91,065,913	95,980,422	
Excess of revenues	2,206,909	1,498,876	1,777,549	1,364,486	1,780,144	4,798,490	3,704,720	7,831,411	5,926,848	4,089,524	
Other Financing Sources (Uses)											
Proceeds from borrowing				8,790,000		8,530,000			19,697,462		
Bond Premium	63,961			260,390		713,942		2,761	2,531,902		
Payment to Refunding Escrow				(9,050,390)		(9,192,189)			(22,119,306)		
Transfers in	32,000	32,000	-	515,856	578,650	137,624	1,036,554	521,291	525,076	707,613	
Transfers out	(1,151,029)	(1,093,416)	(2,685,641)	(1,308,796)	(2,525,138)	(3,064,852)	(3,666,379)	(3,658,760)	(4,117,968)	(6,856,543)	
Total governmental activities	(1,055,068)	(1,061,416)	(2,685,641)	(792,940)	(1,946,488)	(2,875,475)	(2,629,825)	(3,134,708)	(3,482,834)	(3,127,653)	
Net Change in fund balances	\$ 1,151,841	\$ 438,460	\$ (908,052)	\$ 571,546	\$ (166,344)	\$ 1,923,015	\$ 1,074,895	\$ 4,696,703	\$ 2,444,014	\$ 961,871	

Data Source:
Audited Financial Statements

Notes

(1) Gross amounts of transfers in and out are presented here, while transfers between nonmajor governmental funds have been eliminated on page 39.

City of Dover, New Hampshire

Changes in Fund Balances, Special Revenue Funds

Last Ten Fiscal Years
(modified accrual basis of accounting)

Revenues	2007	2008	2009	2010	Fiscal Year					2015	2016
					2011	2012	2013	2014			
Taxes	\$ 507,669	376,167	\$ 229,055	\$ 459,550	\$ 186,297	\$ 95,886	\$ 267,590	\$ 96,031	\$ 275,664	\$ 417,008	
Licenses and permits	1,670	1,430	188,206	196,434	340,529	233,716	465,048	315,928	582,486	416,357	
Intergovernmental	4,627,585	4,153,583	4,403,292	6,479,642	5,757,869	5,535,460	5,241,734	4,842,827	4,491,834	4,433,045	
Current service charges	4,226,685	4,843,301	4,389,415	4,069,023	4,225,664	4,319,465	4,239,561	4,288,083	4,840,191	4,549,730	
Education	-	-	-	-	-	-	-	-	-	-	
Miscellaneous revenue	973,661	327,782	226,899	154,015	979,172	60,007	631,302	1,256,472	649,262	727,869	
Total revenues	10,337,270	9,702,263	9,436,867	11,358,664	11,489,531	10,244,534	10,845,235	10,799,341	10,839,437	10,544,009	
Expenditures											
General government	1,029,501	609,614	91,089	378,836	326,691	490,534	216,318	176,570	191,211	217,464	
Public safety	1,411,641	1,403,243	2,027,429	1,859,906	1,747,205	1,866,562	1,730,498	1,413,487	1,724,658	1,326,013	
Public works	1,109,091	1,052,042	1,014,447	1,098,536	990,977	838,577	884,639	827,878	908,303	1,023,337	
Culture and recreation	400,112	519,747	740,989	761,471	705,093	701,043	804,904	924,449	973,505	1,002,790	
Education	5,917,742	5,855,883	6,046,817	6,922,299	6,628,473	5,943,857	5,474,992	5,071,911	5,385,791	5,681,952	
Public Welfare	818,265	408,544	442,008	511,598	437,156	459,578	568,188	432,571	393,934	474,338	
Debt service	-	-	-	-	-	-	-	-	-	-	
Principal	40,000	205,000	220,000	220,000	230,000	245,000	308,235	315,000	629,300	608,308	
Interest	206,359	204,194	183,856	185,194	176,394	170,400	176,469	161,350	499,250	512,407	
Total expenditures	10,932,711	10,258,267	10,766,635	11,937,840	11,241,989	10,715,551	10,164,243	9,323,216	10,705,952	10,846,609	
Excess of revenues											
Over(under) expenditures	(595,441)	(556,004)	(1,329,768)	(579,176)	247,542	(471,017)	680,992	1,476,125	133,485	(302,600)	
Other Financing Sources (Uses)											
Bond Premium	-	-	-	-	-	-	-	-	-	-	
Transfers in	1,207,020	1,061,416	1,398,009	1,107,940	962,102	1,215,884	1,352,958	915,640	1,154,435	3,569,924	
Transfers out	(87,991)	-	(477,588)	(45,000)	(143,970)	(352,193)	(1,436,074)	(679,811)	(878,605)	(1,172,878)	
Total governmental activities	1,119,029	1,061,416	920,421	1,062,940	818,132	863,691	(83,116)	237,314	275,830	2,397,046	
Net Change in fund balances											
	\$ 523,588	\$ 505,412	\$ (409,347)	\$ 483,764	\$ 1,065,674	\$ 392,674	\$ 597,876	\$ 1,713,439	\$ 409,315	\$ 2,094,446	

City of Dover, New Hampshire

Changes in Fund Balances, Capital Project Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues										
Intergovernmental	\$ 150,499	-	\$ 2,612,505	\$ 2,266,042	\$ 20,975	\$ 55,949	\$ 389,578	\$ -	\$ 38,374	\$ -
Current service charges	178,863	1,208,440	-	-	610,628	3,768	-	-	-	-
Education	-	-	-	-	-	-	-	-	-	-
Miscellaneous revenue	246,210	239,883	1,309,513	145,575	123,776	422,707	122,166	179,000	231,964	163,379
Total revenues	575,572	1,448,323	3,922,018	2,411,617	755,379	482,424	511,744	179,000	270,338	163,379
Expenditures										
Capital outlay	15,639,184	12,526,380	11,273,246	10,776,848	9,677,731	3,126,293	4,583,188	4,777,511	13,415,784	22,627,909
Debt service	-	-	-	-	-	898,000	-	-	-	-
Principal	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Total expenditures	15,639,184	12,526,380	11,273,246	10,776,848	9,677,731	4,024,293	4,583,188	4,777,511	13,415,784	22,627,909
Excess of revenues	(15,063,612)	(11,078,057)	(7,351,228)	(8,365,231)	(8,922,352)	(3,541,869)	(4,071,444)	(4,598,511)	(13,145,446)	(22,464,530)
Over/(under) expenditures										
Other Financing Sources (Uses)										
Proceeds from borrowing	18,196,000	-	8,545,000	9,839,000	250,000	4,800,000	-	29,898,310	-	73,900,000
Bond Premium	-	-	-	-	-	-	697,521	1,801,690	-	-
Transfers in	-	-	577,588	-	219,760	612,500	938,000	738,000	683,000	1,217,720
Transfers out	-	-	-	(400,000)	(103,453)	(19,214)	-	-	-	-
Total governmental activities	18,196,000	-	9,122,588	9,439,000	366,307	5,393,286	1,635,521	32,438,000	683,000	75,117,720
Net Change in fund balances	\$ 3,132,388	\$ (11,078,057)	\$ 1,771,360	\$ 1,073,769	\$ (8,556,045)	\$ 1,851,417	\$ (2,435,923)	\$ 27,839,489	\$ (12,462,446)	\$ 52,653,190

Data Source:
Audited Financial Statements

City of Dover, New Hampshire

Combined Utility Fund Revenue, Expenses, and Changes in Fund Net Position

Last Ten Fiscal Years

Fiscal Year	Intergovernmental	Charges for Services	Revenue Other	Transfers In	Total	Operations & Maintenance	Depreciation	Expenses Interest Expense	Transfers Out	Total	Increase (Decrease) Total Net Position	Restatement (2)	Total Net Position
2016	\$ 51,657	\$ 11,413,360	\$ 804,359	\$ -	\$ 12,269,376	\$ 5,501,935	\$ 3,086,959	\$ 771,983	\$ 347,708	\$ 9,708,565	\$ 2,550,811	-	\$ 61,182,756
2015	1,286,827	10,939,089	565,001	-	12,790,917	5,518,208	3,246,709	1,030,383	150,414	9,945,694	2,845,223	(2,454,975)	58,621,945 (1)
2014	6,243	10,010,778	1,400,564	-	11,417,585	5,581,599	3,220,880	869,352	122,070	9,794,501	1,623,084	(1,872,149)	56,749,856 (2)
2013	885,997	9,285,928	1,270,893	-	11,422,818	5,469,957	3,178,004	817,676	95,382	9,563,019	1,861,589	-	56,460,162
2012	-	8,575,966	472,582	-	9,048,548	5,045,228	2,718,680	833,184	11,149	8,878,251	1,114,151	-	56,345,911
2011	-	7,691,639	515,669	-	8,206,708	5,065,922	2,748,184	823,184	47,880	8,699,630	238,122	-	56,731,912
2010	-	-	-	-	-	5,396,058	2,869,111	937,184	-	9,172,353	(965,645)	-	56,483,790
2009	-	7,729,975	781,269	-	8,511,144	5,113,860	2,708,927	1,012,204	1,607	8,836,598	(325,454)	-	57,459,438
2008	-	7,856,489	627,683	-	8,484,172	4,718,312	2,637,288	1,091,442	-	8,447,042	38,930	2,773,256	57,784,892 (3)
2007	552,375	6,863,012	369,070	-	7,784,457	4,685,872	2,512,605	1,149,966	-	8,348,443	(563,986)	-	54,972,706

Includes Water and Sewer Funds

Water Fund Revenue, Expenses, and Changes in Fund Net Position

Last Ten Fiscal Years

Fiscal Year	Intergovernmental	Charges for Services	Revenue Other	Transfers In	Total	Operations & Maintenance	Depreciation	Expenses Interest Expense	Transfers Out	Total	Increase (Decrease) Total Net Position	Restatement (2)	Total Net Position
2016	\$ 48,579	\$ 4,961,889	\$ 406,511	\$ -	\$ 5,414,979	\$ 2,175,472	\$ 897,684	\$ 375,536	\$ 85,454	\$ 3,534,346	\$ 1,880,633	-	\$ 24,333,584
2015	69,074	4,827,712	253,897	-	5,170,683	2,220,357	897,132	489,343	89,129	3,765,466	1,483,671	(1,860,659)	22,852,913 (1)
2014	4,438	4,332,738	635,083	-	5,627,821	2,293,021	877,890	428,763	75,005	3,674,179	1,182,983	(744,278)	22,908,989 (2)
2013	600,000	4,147,280	299,919	-	4,446,299	2,412,709	837,175	369,039	76,552	3,694,139	752,160	-	22,471,315
2012	-	4,221,145	118,655	-	4,339,600	2,227,708	741,785	444,874	42,059	3,456,427	883,173	-	20,517,673
2011	-	3,820,888	148,106	-	3,968,994	2,397,882	903,461	444,208	-	3,745,551	223,443	-	19,765,513
2010	-	3,876,794	129,888	-	4,006,282	2,310,328	575,562	476,735	-	3,362,625	643,657	-	18,882,340
2009	-	3,854,482	199,680	-	4,054,162	2,263,253	644,602	522,187	-	3,430,042	633,530	1,271,514	18,659,901
2008	-	-	182,180	-	182,180	2,219,625	637,400	447,753	-	3,304,778	119,222	-	16,110,202
2007	-	3,241,920	-	-	3,242,000	-	-	-	-	-	-	-	-

Sewer Fund Revenue, Expenses, and Changes in Fund Net Position

Last Ten Fiscal Years

Fiscal Year	Intergovernmental	Charges for Services	Revenue Other	Transfers In	Total	Operations & Maintenance	Depreciation	Expenses Interest Expense	Transfers Out	Total	Increase (Decrease) Total Net Position	Restatement (2)	Total Net Position
2016	\$ 5,078	\$ 6,451,471	\$ 397,848	\$ -	\$ 6,854,397	\$ 3,326,453	\$ 2,189,075	\$ 386,427	\$ 282,254	\$ 6,174,219	\$ 580,178	-	\$ 35,849,253
2015	1,197,753	6,111,377	311,134	-	7,620,264	3,272,641	2,333,745	398,907	33,541	6,029,035	1,440,189	(594,316)	36,189,074 (1)
2014	6,243	6,243,180	635,610	-	7,092,033	3,176,936	2,300,114	399,113	20,377	5,866,840	440,121	(1,127,870)	35,321,698 (2)
2013	285,997	4,428,586	173,443	-	4,601,929	2,992,933	2,175,515	284,744	13,646	5,466,838	(92,043)	-	36,009,447
2012	-	4,327,615	260,337	-	4,587,952	2,841,983	2,006,379	379,020	5,821	5,233,203	(864,909)	-	36,101,490
2011	-	3,870,751	366,863	-	4,237,714	2,968,176	1,965,650	492,976	-	5,426,802	(645,051)	-	36,966,399
2010	-	3,853,081	651,781	-	4,504,862	2,803,532	2,133,365	535,469	1,607	5,473,973	(1,189,086)	-	37,611,450
2009	-	3,994,007	428,393	-	4,422,400	2,455,059	1,992,686	569,355	-	5,017,000	(969,111)	1,501,742	38,800,537
2008	-	-	186,890	-	186,890	2,466,247	1,875,205	702,213	-	5,043,665	(683,208)	-	39,769,646 (3)
2007	552,375	3,621,192	-	-	4,360,457	-	-	-	-	-	-	-	38,862,504

Data Source:
Audited Financial Statements

Notes:

- (1) Total Net Position as restated for Fiscal Year ending June 30, 2015. Restatement resulting from implementation of GASB No. 75.
- (2) Total Net Position as restated for Fiscal Year ending June 30, 2014. Restatement resulting from implementation of GASB No. 69.
- (3) Total Net Position as restated for Fiscal Year ending June 30, 2008. Restatement resulting from adjustment of capital asset values and accumulated depreciation for capital contributions.

City of Dover, New Hampshire

General Government Tax Revenues by Source Last Ten Fiscal Years

Fiscal Year	Property Taxes	Current Use Penalties	Boat Tax	Yield Tax	Payment in Lieu of Tax	Excavation Tax	Tax Interest & Penalties	Total
2016	\$ 73,539,636	\$ 111,844	\$ 22,167	\$ 3,077	\$ 79,939	\$ 9,300	\$ 366,320	\$ 74,132,283
2015	71,132,393	176,168	19,844	19,447	67,975	7,127	412,269	71,835,223
2014	68,899,121	96,031	21,982	1,851	71,664	5,914	501,572	69,598,135
2013	66,181,631	267,591	18,283	2,064	76,435	2,547	442,619	66,991,169
2012	64,367,156	95,886	20,449	7,717	68,428	9,892	413,650	64,983,178
2011	60,971,187	186,297	16,903	4,651	75,847	2,083	352,662	61,609,630
2010	59,336,642	459,550	17,366	1,560	54,384	3,600	303,359	60,176,461
2009	57,638,349	229,055	16,177	1,096	78,157	5,484	307,789	58,276,107
2008	54,815,889	376,170	17,595	15,319	33,579	3,581	266,157	55,528,290
2007	51,082,581	507,669	19,957	14,130	62,765	6,513	230,280	51,923,895

Data Source:
Audited Financial Statements

Property Tax Levies and Collections

Last Ten Fiscal Years

Fiscal Year	Property Tax Levied for Fiscal Year	Collected within the Fiscal Year of the Levy		Balance at Fiscal Year End of Levy Year	Subsequent Tax Collections	Balance at end of Current Fiscal year	Total Collections to Date		Number of Parcels	
		Amount	% of Levy				Amount	% of Levy	in Levy	% Liened
2016	\$ 73,694,589	\$ 71,204,095	96.6%	\$ 2,490,494	-	\$ 2,490,494	\$ 71,204,095	96.6%	10,092	250
2015	70,970,925	68,361,482	96.3%	2,609,443	2,016,062	593,381	70,377,544	99.2%	10,058	245
2014	68,263,833	65,462,206	95.9%	2,801,627	2,597,661	203,966	68,059,867	99.7%	10,026	280
2013	66,147,949	63,043,571	95.3%	3,104,378	3,098,253	6,125	66,141,824	100.0%	9,950	307
2012	64,548,459	61,508,390	95.3%	3,040,069	2,983,682	56,387	64,492,072	99.9%	9,899	355
2011	61,316,723	58,300,049	95.1%	3,016,674	2,867,077	149,597	61,167,126	99.8%	9,873	366
2010	59,722,532	56,637,028	94.8%	3,085,504	3,074,462	11,042	59,711,490	100.0%	9,825	417
2009	57,813,956	55,182,839	95.4%	2,631,117	2,629,291	1,826	57,812,130	100.0%	9,808	380
2008	55,140,420	52,827,214	95.8%	2,313,206	2,299,539	13,667	55,126,753	100.0%	9,685	295
2007	51,305,180	49,264,164	96.0%	2,041,016	2,039,992	1,024	51,304,156	100.0%	9,552	353

Data Source:

Audited Financial Statements, Property Tax Warrants and Reports of Tax Lien Executions

Tax liens are placed within 60 days after the end of the fiscal year. Taxpayers have two years to redeem liens prior to property being tax deeded.

City of Dover, New Hampshire

Assessed and Estimated Full Value of Real Property

Last Ten Fiscal Years

Fiscal Year	Local Assessed Value (1)			Less Exemptions to Assessed Value (1)	Total Taxable Assessed Value (1)	Total Direct Tax Rate per \$1,000 of Assessed Value	Ratio of Total Assessed Value to Total Estimated Full Value	
	Residential	Commercial/Industrial	Utilities					
2016	\$ 2,060,963,970	\$ 710,335,810	\$ 56,106,100	\$ 48,728,100	\$ 2,827,405,880	\$ 2,778,677,780	\$ 3,104,875,672	91.2%
2015	2,040,692,330	705,528,690	48,496,900	48,686,100	2,794,717,920	2,746,031,820	2,967,795,696	94.3%
2014	1,956,116,310	698,825,840	42,375,900	48,017,600	2,697,318,050	2,649,300,450	2,850,372,307	94.7%
2013	1,932,326,900	690,054,300	38,603,100	48,980,100	2,660,984,300	2,612,004,200	2,746,252,625	96.9%
2012	1,924,887,500	678,660,400	38,603,100	49,544,400	2,642,151,000	2,592,606,600	2,716,664,840	97.3%
2011	1,948,881,800	673,620,000	35,415,000	51,381,750	2,657,916,800	2,606,535,050	2,774,177,802	95.8%
2010	1,934,577,500	666,109,800	35,400,900	52,866,750	2,636,088,200	2,583,221,450	2,768,903,096	95.2%
2009	2,094,567,000	685,319,200	35,303,500	51,608,150	2,815,189,700	2,763,581,550	3,009,995,763	93.5%
2008	2,195,273,500	655,131,100	35,579,100	50,914,700	2,885,983,700	2,835,069,000	3,028,004,490	95.3%
2007	2,178,722,000	597,125,300	34,773,700	45,808,500	2,810,621,000	2,764,812,500	2,954,382,748	95.1%

Data Sources:

(1) State MS-1 Report of Assessed Values

(2) NH Department of Revenue Administration's annual Equalization Survey

City of Dover, New Hampshire

Principal Taxpayers Current Year and Nine Years Ago

Taxpayer	Type of Business	2016 Assessed Value	Rank	Percentage of Total Assessed Value	2007 Assessed Value	Rank	Percentage of Total Assessed Value
Liberty Mutual Insurance Co	Insurance	\$ 62,135,060	1	2.24 %	\$ 26,622,700	1	0.96 %
Public Service Co of NH	Utility	31,867,600	2	1.15	22,955,700	2	0.83
Northern Utilities Inc	Gas Utility	19,136,300	3	0.69	10,751,300	8	0.39
Lilac Gardens (Current) New Meadows (Previously)	Apartments	14,895,500	4	0.54	16,390,200	3	0.59
Fortuna North, LLC	Wholesale	14,108,100	5	0.51	-	-	-
171 Watson Rd of Dover Holding Corp.	Scholastic Testing	14,071,290	6	0.51	13,996,500	5	0.51
Coheco Mills Holdings LLC	Comm/Res Rentals	13,407,400	7	0.48	-	-	-
851 Central Ave LLC (Current) Shaw's(Previously)	Supermarket	11,311,400	8	0.41	11,171,400	7	0.40
Sawyers Mills Assoc Inc	Apartments	9,730,500	9	0.35	9,688,600	10	0.35
Dover Retirement Residence LLC	Elderly Housing	9,121,300	10	0.33	-	-	-
Holgate Limited Partnership	Comm/Res Rentals	-	-	-	16,042,600	4	0.58
Dover Mills Partnership	Developer	-	-	-	11,695,700	6	0.42
MSM Brothers, Inc	Apartments	-	-	-	9,894,700	9	0.36
Total Principal Taxpayers		\$ 199,784,450		7.19 %	\$ 149,209,400		5.40 %
Total Net Assessed Taxable Value		\$ 2,778,677,780			\$ 2,764,812,500		

Data Source:
City of Dover Tax Warrant

City of Dover, New Hampshire

Property Tax Rates per \$ 1,000 of Assessed Value Direct and Overlapping Governments Last Ten Fiscal Years

Fiscal Year	City Direct Rates										Overlapping Rate	Estimated Full Value Rate
	Budgetary Use of Fund					City Direct Rates						
	City	Balance (1)	Total City (2)	Local School (2)	State School (3)	Total School	Total Direct	County	Total			
2016	\$ 10.47		\$ 10.47	\$ 10.65	\$ 2.49	\$ 13.14	\$ 23.61	\$ 3.00	\$ 26.61	\$ 23.77		
2015	10.09	-	10.09	10.50	2.49	12.99	23.08	2.93	26.01	24.03		
2014	9.99	-	9.99	10.54	2.51	13.05	23.04	2.93	25.97	24.10		
2013	9.71	-	9.71	10.38	2.55	12.93	22.64	2.88	25.52	24.24		
2012	9.54	-	9.54	10.26	2.50	12.76	22.30	2.82	25.12	23.94		
2011	8.93	-	8.93	9.57	2.55	12.12	21.05	2.70	23.75	22.26		
2010	8.55	-	8.55	9.54	2.52	12.06	20.61	2.72	23.33	21.70		
2009	7.57	-	7.57	8.79	2.31	11.10	18.67	2.43	21.10	19.33		
2008	7.23	-	7.23	8.02	2.31	10.33	17.56	2.07	19.63	18.33		
2007	6.87	(0.15)	6.72	7.56	2.38	9.94	16.66	2.06	18.72	17.47		

Data Source:
NH State Department of Revenue Administration

Notes:

- (1) Reflects the decrease to the City rate as a result of the City Council voting to use a portion of Fund Balance to finance the budget. This is calculated by the City of Dover for informational purposes.
- (2) Debt service is included in the City and Local School rates.
- (3) The NH State Legislature revised Education funding in Fiscal Year 2000, establishing a State Education Property Tax. Although warranted by the state, the taxes are collected by the City and spent for local school purposes. This rate does not apply to utility assessments. Utilities are billed directly by the State of NH.

City of Dover, New Hampshire

Utility Fund Net Budget, Billable Volumes and Rates

Last Ten Fiscal Years

Fiscal Year	Amount to be Raised by Rates (1)		Billable Volume Used for Setting Rates (2)		Rates per HCF (4)	
	Water	Sewer	Water	Sewer (3)	Water	Sewer Combined
2016	\$ 4,451,653	\$ 6,283,897	934,160	835,870	\$ 4.77	\$ 7.52 12.29
2015	4,444,877	6,110,151	947,574	844,781	4.69	7.24 11.93
2014	4,500,308	5,656,509	958,837	866,185	4.69	6.53 11.22
2013	4,361,056	5,317,011	999,253	919,714	4.36	5.78 10.14
2012	3,980,328	5,036,855	999,253	919,714	3.97	5.43 9.40
2011	3,926,131	4,706,175	999,253	933,000	3.93	5.04 8.97
2010	3,847,648	4,426,221	1,019,000	933,000	3.78	4.74 8.52
2009	3,817,555	4,182,454	1,019,000	927,000	3.75	4.51 8.26
2008	3,597,404	4,069,946	1,019,000	927,000	3.53	4.39 7.92
2007	3,179,280	4,023,180	1,019,000	927,000	3.12	4.34 7.46

Data Source:

City of Dover Budget and Budget Resolutions

Notes:

- (1) Amount to be raised by rate equals the net budget, i.e., appropriations less other revenue sources.
- (2) Billable Volume is the estimated billable water consumption in hundred cubic feet units (HCF).
- (3) Sewer charges are based on the amount of water consumed.
- (4) One hundred cubic feet (HCF) equals 748 gallons.

City of Dover, New Hampshire

Dover's Share of the Strafford County Tax Apportionment Last Ten Fiscal Years (based on percentage of equalized value)

Tax Year	Total Equalized Values			Dover's %
	Dover	Strafford County	County	
2014	\$ 2,967,795,696	\$ 10,572,839,297		28.0699972%
2013	2,850,372,307	10,234,553,869		27.8504793%
2012	2,746,252,625	9,955,978,829		27.5839540%
2011	2,716,654,840	9,932,175,396		27.3520627%
2010	2,776,723,718	10,188,669,097		27.2530562%
2009	2,771,603,605	10,535,297,254		26.3077874%
2008	3,012,848,041	11,251,423,584		26.7774830%
2007	3,030,963,132	11,365,940,726		26.6670679%
2006	2,957,658,251	11,428,976,216		25.8785931%
2005	2,912,670,592	10,943,501,422		26.6155271%

Data Sources:
NH Department of Revenue Administration Equalization Surveys
County Tax Warrants
Adopted Strafford County Budgets

Fiscal Year	Apportionment of County Tax Levy			
	County Tax Levy	Dover's Share	Dover's Share \$ Change	Dover's Share % Change
2016	\$ 29,682,628	\$ 8,331,912	\$ 274,347	3.4%
2015	28,931,512	8,057,565	285,766	3.7%
2014	28,175,072	7,771,799	250,545	3.3%
2013	27,497,936	7,521,254	217,437	3.0%
2012	26,800,000	7,303,817	270,546	3.8%
2011	26,744,561	7,033,271	2,631	0.0%
2010	26,255,790	7,030,640	258,317	3.8%
2009	25,395,827	6,772,323	850,102	14.4%
2008	22,884,637	5,922,221	172,016	3.0%
2007	21,604,701	5,750,205	295,390	5.4%

City of Dover, New Hampshire

Ratios of Long Term Debt Outstanding and Legal Debt Limits

Last Ten Fiscal Years

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debt at June 30										
City Depts. (Includes Arena) (1)	\$ 45,784,300	\$ 41,974,543	\$ 48,729,256	\$ 48,276,316	\$ 44,001,511	\$ 43,702,119	\$ 39,269,915	\$ 64,335,473	\$ 58,626,894	\$ 57,681,422
School Dept.	31,538,942	29,132,861	27,408,664	27,408,664	26,640,814	26,097,639	23,658,374	21,809,216	10,833,607	12,335,507
Total Governmental Activities	77,323,242	71,107,404	76,137,920	75,684,980	70,642,325	69,799,758	62,928,289	86,144,689	69,460,501	69,976,929
Water Fund	12,578,000	11,573,000	10,763,000	11,344,000	10,334,000	10,083,000	12,508,800	12,358,176	10,965,000	10,940,238
Sewer Fund	13,210,000	11,538,000	11,128,000	10,815,000	8,957,500	10,660,600	9,863,341	11,810,931	11,674,420	11,189,709
Arena Fund	3,055,450	2,813,960	-	-	-	-	-	-	-	-
DBIDA Fund	2,256,453	2,121,775	1,983,435	1,841,189	1,794,773	-	-	-	-	-
Total Debt at June 30	\$ 108,423,145	\$ 99,154,139	\$ 100,012,355	\$ 103,473,260	\$ 93,728,598	\$ 90,544,288	\$ 85,297,630	\$ 110,313,796	\$ 100,099,721	\$ 174,204,876

Base Value for Debt Limits (2) \$ 2,988,313,185 \$ 3,060,293,656 \$ 3,040,617,437 \$ 2,766,903,096 \$ 2,774,177,802 \$ 2,714,253,993 \$ 2,743,418,578 \$ 2,847,426,767 \$ 2,964,737,895 \$ 3,101,733,726

Legal Debt Limits (% of Base Value)										
City - 1.75% thru 1995, 3% 1999 on (3)	\$ 89,649,395	\$ 91,898,010	\$ 91,218,623	\$ 83,067,093	\$ 83,225,334	\$ 81,427,620	\$ 82,309,557	\$ 85,422,803	\$ 88,943,137	\$ 93,053,012
School - 1.75% thru 1995, 3% 1999 on (3)	214,229,565	214,229,565	214,229,565	193,890,317	194,192,446	189,997,780	192,039,300	199,319,874	207,531,633	217,121,361
Water - 1.75% thru 1995, 3% 1999 on (3)	298,831,119	308,029,366	304,061,744	276,890,310	277,417,780	271,425,399	274,341,859	284,742,677	296,473,780	310,173,373
DBIDA - Industrial Parks (4)	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
DBIDA - Industrial Buildings (5)	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
DBIDA - Industrial Project (6)	224,849,680	230,678,696	225,215,176	210,887,656	212,633,344	211,372,080	212,878,744	215,785,444	223,577,434	226,192,470

Debt Against Legal Debt Limits										
City Depts. (Includes Arena)	42,989,450	39,454,960	40,012,470	40,171,288	36,963,240	37,226,320	33,202,108	45,694,305	40,803,024	40,655,460
School Dept.	31,538,942	29,132,861	27,408,664	27,408,664	26,640,814	26,097,639	23,658,374	21,809,216	10,833,607	12,335,507
Water Fund	12,578,000	11,573,000	10,763,000	11,344,000	10,334,000	10,083,000	12,508,800	12,358,176	10,965,000	10,940,238
Sewer Fund	1,085,000	845,000	995,000	945,000	100,000	-	-	-	-	-
DBIDA - Industrial Parks	-	-	-	-	-	-	-	-	-	-
DBIDA - Industrial Buildings	-	-	-	-	-	-	-	-	-	-
DBIDA - Industrial Project	1,936,453	1,881,775	1,823,435	1,761,189	1,694,773	-	-	-	-	-
Exempt from Legal Debt Limits (7)	18,285,300	16,266,543	19,409,786	18,655,029	16,055,771	17,136,399	15,931,148	30,452,099	29,498,090	28,214,671
Total Debt at June 30	\$ 108,423,145	\$ 99,154,139	\$ 100,012,355	\$ 103,473,260	\$ 93,728,598	\$ 90,544,288	\$ 85,297,630	\$ 110,313,796	\$ 100,099,721	\$ 174,204,876

Unused Capacity of Legal Debt Limits										
City Depts.	\$ 46,659,846	\$ 52,353,850	\$ 51,206,053	\$ 42,895,805	\$ 46,322,094	\$ 44,201,300	\$ 49,100,449	\$ 39,728,498	\$ 48,139,113	\$ 52,395,552
School Dept.	17,642,981	185,087,695	185,434,557	162,626,463	165,551,632	163,900,011	168,380,726	177,510,658	186,698,046	192,727,854
Water Fund	285,253,319	294,466,366	293,288,744	265,546,310	267,063,780	261,341,599	261,838,508	272,384,501	259,535,790	259,335,135
DBIDA - Industrial Parks	2,905,000	3,155,000	3,155,000	3,655,000	3,900,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
DBIDA - Industrial Buildings	-	-	-	-	-	-	-	-	-	-
DBIDA - Industrial Project	223,913,227	228,998,921	223,391,741	209,125,867	210,938,571	211,372,080	212,878,744	215,785,444	223,577,434	226,192,470

% of Legal Debt Limits Used										
City Depts.	48.0%	43.0%	43.9%	48.4%	44.3%	45.7%	40.3%	53.5%	45.9%	43.7%
School Dept.	15.1%	13.6%	12.9%	16.1%	14.7%	13.7%	12.3%	10.9%	9.1%	43.5%
Water Fund	4.2%	3.8%	3.5%	4.1%	3.7%	3.7%	4.6%	4.3%	3.7%	3.5%
DBIDA - Industrial Parks	27.4%	21.1%	14.9%	8.6%	2.5%	0.0%	0.0%	0.0%	0.0%	0.0%
DBIDA - Industrial Buildings	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
DBIDA - Industrial Project	0.9%	0.8%	0.8%	0.8%	0.8%	0.0%	0.0%	0.0%	0.0%	100.0%

Data Source
Audited Financial Statements

- Notes:
- (1) In Fiscal Year 2009 the Arena Enterprise Fund was dissolved into the General Fund.
 - (2) Base Value for Debt Limits computed by the NH Department of Revenue Administration
 - (3) Legal debt limit percentage rates set by NH State statute
 - (4) Dover Business & Industrial Development Authority - Industrial Parks. Limit set by special legislation. New statute adopted by City Council February 9, 2005 effective for new debt authorizations.
 - (5) Dover Business & Industrial Development Authority - Industrial Park Buildings. Limit set by special legislation. New statute adopted by City Council February 9, 2005 effective for new debt authorizations.
 - (6) Dover Business & Industrial Development Authority - Industrial Project. Limit set by special legislation. New statute adopted by City Council February 9, 2005 effective for new debt authorizations.
 - (7) Debt exempt from limits consists of Sewer debt, debt for hazardous waste remediation included in City Departments and Tax Incremental Districts as set per NH State statute.

City of Dover, New Hampshire

Ratios of Outstanding Debt by Debt Type

Last Ten Fiscal Years

Fiscal Year	Governmental Activities - General Obligation Debt				% of Net Debt to Assessed Value	Tax Supported Debt	Tax Supported Debt per capita (1)
	City Depts.	Hospital	School Dept.	Total			
2016	\$ 57,681,422	\$ -	\$ 94,393,507	\$ 152,074,929	\$ -	\$ 5,422,031	\$ 146,652,898
2015	58,626,694	-	18,833,607	77,460,301	-	6,096,850	71,363,451
2014	64,335,473	-	21,809,216	86,144,689	-	6,783,120	79,361,569
2013	39,269,915	-	23,658,574	62,928,489	-	7,491,870	55,436,619
2012	43,702,119	-	26,097,769	69,799,888	-	6,304,708	63,495,180
2011	44,101,511	-	28,640,814	72,742,325	-	6,919,599	65,822,726
2010	48,276,316	-	31,196,755	79,473,071	-	7,550,706	71,922,365
2009	48,729,256	-	27,408,664	76,137,920	-	8,194,361	67,943,559
2008	41,974,543	-	29,132,861	71,107,404	-	8,679,349	62,428,055
2007	45,784,300	-	31,538,942	77,323,242	-	8,883,991	68,439,251

Fiscal Year	Business-Type Activities - General Obligation Debt				Net debt per capita (1)	% of Personal Income (2)
	Water Fund	Sewer Fund	Arena Fund (3)	DBIDA Fund (4)		
2016	\$ 10,940,238	\$ 11,189,709	\$ -	\$ -	\$ 22,129,947	\$ 22,021,222
2015	10,965,000	11,674,420	-	-	22,639,420	22,515,391
2014	12,356,176	11,810,931	-	-	24,169,107	24,029,740
2013	12,505,800	9,863,341	-	-	22,369,141	22,214,415
2012	10,093,800	10,660,600	-	-	20,754,400	20,574,231
2011	10,334,000	8,957,500	-	1,694,773	20,986,273	19,977,998
2010	11,344,000	10,815,000	-	1,841,189	24,000,189	21,948,806
2009	10,763,000	11,128,000	-	1,983,435	23,874,435	20,816,870
2008	11,573,000	11,538,000	2,813,960	2,121,775	28,046,735	24,242,184
2007	12,578,000	13,210,000	3,055,450	2,256,453	31,099,903	26,958,832

Fiscal Year	Total Government			Less State and Hospital	Net Debt	Percentage of Net Debt to Actual Taxable Value of Property	Total Debt	% of Personal Income (2)
	Primary	Less State and Hospital	Net Debt					
2016	\$ 174,024,876	\$ 5,530,756	\$ 168,674,120	\$ 168,674,120	6.1%	\$ 5,450	5,629	17.4%
2015	100,099,721	6,220,879	93,878,842	93,878,842	3.4%	3,047	3,249	10.1%
2014	110,313,796	6,922,487	103,391,309	103,391,309	3.9%	3,371	3,597	11.3%
2013	85,297,630	7,646,596	77,651,034	77,651,034	3.0%	2,544	2,795	8.9%
2012	90,544,288	8,474,877	84,069,411	84,069,411	3.2%	2,771	2,984	9.7%
2011	93,728,598	7,927,874	85,800,724	85,800,724	3.3%	2,844	3,107	10.2%
2010	103,473,260	9,602,089	93,871,171	93,871,171	3.6%	3,130	3,451	11.5%
2009	100,012,365	11,251,926	88,760,439	88,760,439	3.2%	3,017	3,400	11.5%
2008	99,154,139	12,483,900	86,670,239	86,670,239	3.1%	2,965	3,392	11.3%
2007	108,423,145	13,025,062	95,398,083	95,398,083	3.5%	3,271	3,718	12.8%

Data Source:

Audited Financial Statements
Assessing Department MS-1 Reports

Notes:

- (1) Per capita ratio for FY2010 is based on 2010 U.S. Census data, all other years based on trended NH Office of Energy and Planning population estimates
- (2) Personal Income ratios based on 2010 U.S. Census amounts and trended NH Office of Energy and Planning estimates.
- (3) In Fiscal Year 2009 the Arena Fund was dissolved into the General Fund
- (4) In Fiscal Year 2012 DBIDA General Obligation Debt was fully paid as part of a real estate sales transaction.

Computation of Overlapping Debt
Strafford County Long Term Debt
(Last Ten Calendar Years)

Direct: City of Dover				
End of Fiscal Year	General Obligation Debt Outstanding	Percentage Applicable to Government	Amount Applicable to Government	
2016	\$ 152,074,929	100%	\$ 152,074,929	
2015	77,460,301	100%	77,460,301	
2014	86,144,689	100%	86,144,689	
2013	62,928,489	100%	62,928,489	
2012	69,799,888	100%	69,799,888	
2011	72,742,325	100%	72,742,325	
2010	79,473,071	100%	79,473,071	
2009	76,137,920	100%	76,137,920	
2008	71,107,404	100%	71,107,404	
2007	77,323,242	100%	77,323,242	
Overlapping: Strafford County				
End of Calendar Year	Net General Obligation Debt Outstanding (1)	Percentage Applicable to Government (2)	Amount Applicable to Government	
2015	\$ 13,928,991	28.2675638%	\$ 3,937,386	
2014	14,818,054	28.0699972%	4,159,427	
2013	16,394,326	27.8504793%	4,565,898	
2012	18,182,190	27.5839540%	5,015,367	
2011	19,740,000	27.3520627%	5,399,297	
2010	21,535,000	27.2530562%	5,868,946	
2009	23,474,863	26.3077874%	6,175,717	
2008	21,027,839	26.7774830%	5,630,726	
2007	22,762,838	26.6670679%	6,070,181	
2006	24,495,948	25.8785931%	6,339,207	
Total Direct and Overlapping Debt				
End of Fiscal Year	Direct Debt	Overlapping Debt	Total Applicable to Government	
2016	\$ 152,074,929	\$ 3,937,386	\$ 156,012,315	
2015	77,460,301	4,159,427	81,619,728	
2014	86,144,689	4,565,898	90,710,587	
2013	62,928,489	5,015,367	67,943,856	
2012	69,799,888	5,399,297	75,199,185	
2011	72,742,325	5,868,946	78,611,271	
2010	79,473,071	6,175,717	85,648,788	
2009	76,137,920	5,630,726	81,768,646	
2008	71,107,404	6,070,181	77,177,585	
2007	77,323,242	6,339,207	83,662,449	

Data Sources:

- (1) Strafford County Audited Financial Statements at calendar year end
 (2) The percentage of the overlap is based on County apportionments determined by the
 NH Department of Revenue Administration. The City's apportionment is determined by the
 City's equalized property values as a percentage of the total equalized property values for
 all municipalities within Strafford County.

City of Dover, New Hampshire

Demographic Statistics

Last Ten Fiscal Years

Fiscal Year	Population (1)	Median Family Income (2)	Estimated Total Personal Income (3)	Per Capita Personal Income (2)	City (4)		Unemployment Rates (4)	
					Unemployed	Labor Force	City	State of NH US
2016	30,947	\$ 80,591	\$ 1,000,052,305	\$ 32,315	420	18,070	2.3%	2.8%
2015	30,808	80,110	988,567,104	32,088	553	17,850	3.1%	3.7%
2014	30,669	82,242	974,446,137	31,773	710	18,261	3.9%	5.1%
2013	30,521	80,830	956,650,224	31,344	750	18,110	4.2%	5.1%
2012	30,343	79,180	938,053,845	30,915	870	18,240	4.8%	5.4%
2011	30,165	77,509	919,610,190	30,486	860	17,740	4.8%	5.2%
2010	29,987	75,820	901,319,259	30,057	910	17,390	5.2%	5.7%
2009	29,417	73,943	871,566,876	29,628	1,072	17,580	6.1%	6.8%
2008	29,236	72,066	874,127,164	29,899	638	18,240	3.5%	4.0%
2007	29,161	70,189	848,410,134	29,094	579	17,550	3.3%	4.0%

Data Sources:

- (1) 2010 data based on 2010 U.S. Census, all other years trended based on NH Office of State Planning population estimates.
- (2) 2010 data based on 2010 U.S. American Community Survey, all other years trended based on U.S. Census data.
- (3) Estimated based on trended population and per capita personal income.
- (4) US Bureau of Labor Statistic - calendar year annual averages not seasonally adjusted.
Reflects calendar year ending during fiscal year (mid-fiscal year).

City of Dover, New Hampshire

Principal Employers Current Year and Nine Years Ago

	Employer	Type of Business	2016			2007		
			Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment
	Liberty Mutual Insurance Co	Insurance	2,979	1	16.49 %	1,270	2	7.24 %
	Wenworth Douglas Hospital	Hospital	1,537	2	8.51	1,650	1	9.40
	City of Dover (FTEs)	Municipality	802	3	4.44	858	3	4.89
	Strafford County	County Government	532	4	2.94	Unknown	-	-
	Measured Progress	Scholastic testing	225	5	1.25	351	4	2.00
	Vygon USA DBA Churchill Medical	Manufacturer - medical items	99	8	0.55	218	6	1.24
	Community Partners of New Hampshire	Behavior/Development Services	193	6	1.07			
	United Parcel Services (UPS)	Parcel Delivery	160	7	0.89			
	Hirel Systems (DT Magnetics)	Manufacturer - Electronics	-	-	-	-	-	-
	Certified Retail Solutions	Manufacturer - Retail Systems	81	9	0.45	-	-	-
	Dell Services	Defense Technology Contractor	90	10	0.50	-	-	-
	Fosters Daily Democrat	Newspaper	-	-	-	300	5	1.71
	Goss (previously Heidelberg Harris)	Manufacturer - Presses	-	-	-	152	7	0.87
	ATT	National Passport Center	-	-	-	150	8	0.85
	Park Nameplate	Nameplates for auto/cosmetics	-	-	-	141	9	0.80
	Electrocraft (EAD Motors)	Electric motors & fans	-	-	-	113	10	0.64
	Total Principal Employers		6,698		37.07 %	5,203		29.65 %
	Total City Employment (1)		18,070			17,550		

Data Source:
Final Official Statements for City of Dover bond issues and information provided by City's Economic Development Office.

Notes
(1) US Bureau of Labor Statistics calendar year annual average ending during fiscal year.

City of Dover, New Hampshire

Operating Indicators by Function

Last Ten Fiscal Years

Function	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Finance										
Taxable property parcels assessed	9,552	9,685	9,808	9,825	9,873	9,899	9,950	10,026	10,058	10,092
Property transfers processed	977	781	712	689	740	742	904	839	924	1,009
Motor vehicles registered	30,247	29,840	27,665	28,334	29,280	30,838	30,516	30,991	31,187	31,254
Inspection Services Division										
Number of inspections conducted (1)	1,214	1,278	4,227	5,112	4,598	5,203	6,211	6,201	6,387	6,540
Building Permits Issued	522	398	349	396	358	381	436	396	484	461
Estimated construction value in millions	\$ 74.20	\$ 53.51	\$ 33.74	\$ 29.82	\$ 47.90	\$ 23.78	\$ 50.08	\$ 37.61	\$ 80.35	\$ 58.56
Police (2)										
Physical arrests	1,469	1,213	908	789	844	819	923	857	860	820
Traffic violations	1,319	1,686	1,326	1,138	1,134	1,217	1,194	1,532	1,544	1,581
Parking violations	10,507	8,522	7,795	7,720	6,679	10,336	8,420	7,890	8,995	9,486
Fire and Rescue										
Calls answered	5,085	5,146	5,018	5,549	5,347	5,242	5,215	5,154	5,481	5,426
Emergency Responses	3,712	3,923	3,844	4,244	4,859	4,609	4,833	4,899	4,488	4,552
Fires extinguished	101	152	277	306	286	353	328	255	228	190
Number of inspections conducted										64
Emergency medical responses	2,441	2,692	2,349	2,614	2,945	2,880	2,873	2,824	3,335	3,387
Community services - Public Works										
Refuse collected (tons)	5,267	5,407	4,919	3,941	3,546	3,884	4,061	4,030	4,020	4,184
Recycling (tons)	4,255	3,036	2,532	2,518	2,493	2,472	2,529	2,419	2,583	2,583
Streets resurfaced (miles)	8.0	2.6	6.9	3.0	2.9	3.7	4.2	4.6	5.5	13.7
Public Library										
Volumes in collections	103,884	104,004	107,701	104,639	104,974	101,715	99,937	102,090	113,484	109,691
Total volumes borrowed	279,332	290,402	299,346	288,512	296,225	291,515	293,757	286,512	276,232	282,793
Public Welfare - General Assistance										
Number of contacts	4,010	4,763	4,987	6,362	6,308	6,293	5,791	5,029	4,499	4,657
Assisted cases	664	685	685	1,651	1,924	1,982	1,839	1,541	620	1,270
Water system:										
Water main breaks	13	18	16	16	1	4	12	16	16	7
Daily average consumption (millions of gallons)	2.3	2.3	2.5	2.8	3.0	3.1	3.1	2.3	2.0	2.4
Peak daily consumption (millions of gallons)	3.6	3.6	3.5	3.2	3.7	4.1	3.6	4.6	2.4	3
Sewage System:										
Daily average treatment (millions of gallons)	2.8	2.9	3.1	2.6	2.5	2.5	2.4	2.5	2.5	2.5

Data Source:

Various city departments

Notes

(1) In FY 2009 the Building Inspection Division and Fire Inspection Division were combined into one Division.

(2) Calendar year ending during the fiscal year

City of Dover, New Hampshire

Capital Asset Statistics by Function

Last Ten Fiscal Years

Function	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Police										
Number of stations	2	2	2	2	2	2	2	2	2	2
Number of patrol units	10	10	9	9	9	9	9	9	10	10
Fire and Rescue										
Number of stations	2	2	3	3	3	3	3	3	3	3
Number of ladder trucks	2	2	2	2	2	2	2	2	2	2
Number of pumps	3	3	4	4	4	4	4	4	5	5
Number of support vehicles	6	6	6	6	6	6	6	6	6	7
Number of ambulances	3	3	3	3	3	3	3	3	3	4
Community Services - Public Works										
Miles of streets	132	133	133	133	133	133	133	133	134	134
Miles of storm drains	67	67	69	69	69	69	70	70	73	73
Number of street lights	1,773	1,777	1,776	1,776	1,771	1,771	1,776	1,778	1,778	1,780
Number of bridges	11	11	11	12	12	12	12	12	12	12
Recreation:										
Community centers	1	1	1	1	1	1	1	1	1	1
Number of parks	18	18	25	25	25	25	25	25	25	25
Park acreage	274	274	235	235	235	235	235	235	235	235
Playgrounds	12	12	15	15	15	15	15	15	15	15
Baseball/softball fields	10	10	6	6	6	6	6	6	6	6
Football/soccer fields	7	7	2	2	2	2	2	2	2	2
Swimming pools	2	2	2	2	2	2	2	2	2	2
Tennis courts	9	9	10	10	10	10	10	10	10	8
Indoor gyms	1	1	1	1	1	1	1	1	1	1
Indoor ice skating sheets	2	2	2	2	2	2	2	2	2	2
Water system:										
Miles of water mains	151	155	153	153	153	155	157	158	160	160
Number of service connections	8,124	8,156	8,218	8,270	8,321	8,490	8,500	8,558	8,604	8,669
Storage capacity in gallons (millions of gallons)	5	5	5	5	5	6	6	6	6	6
Maximum daily capacity of plant (millions of gallons)	4	5	5	5	5	5	5	5	5	5
Number of fire hydrants	1,093	1,107	1,107	1,107	1,130	1,156	1,156	1,156	1,176	1,193
Sewage System:										
Miles of sanitary sewers	120	120	120	120	122	122	123	123	125	128
Number of treatment plants	1	1	1	1	1	1	1	1	1	1
Number of service connections	7,332	7,398	7,464	7,542	7,569	7,786	7,829	7,900	7,999	7,485
Maximum daily capacity of treatment (millions of gallons)	4.7	4.7	4.7	4.7	4.7	4.7	4.7	4.7	4.7	4.7

Data Source:

Various city departments

City of Dover, New Hampshire

City Government Employees by Function - Full Time Equivalents Last Ten Fiscal Years

Function	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Government										
Executive (1)	12.9	13.7	12.7	8.0	8.1	7.8	8.1	8.3	8.2	9.2
Finance (1)	16.0	16.0	16.0	20.0	20.0	20.0	20.3	20.9	21.1	20.6
Planning (2)	10.6	9.6	5.5	4.8	5.5	5.5	5.5	5.5	5.5	6.5
Total General Government	39.5	39.3	34.2	32.8	33.6	33.3	33.9	34.7	34.8	36.3
Public Safety										
Police - Sworn Officers	52.6	50.5	48.4	47.4	47.4	47.4	47.4	47.4	49.4	50.5
Police - Non-sworn employees	27.1	27.6	25.6	26.8	29.4	29.4	28.7	28.9	29.3	29.0
Total Police Department	79.7	78.1	74.0	74.2	76.8	76.8	76.1	76.3	78.7	79.5
Fire and Rescue (2)	54.6	54.6	61.1	61.7	61.7	61.4	60.5	61.2	61.5	66.7
Total Public Safety	134.3	132.7	135.1	135.9	138.5	138.2	136.6	137.5	140.2	146.2
Public Works										
General Fund Functions	39.4	38.5	36.6	37.3	35.6	34.6	34.5	34.5	34.5	35.8
Water	13.0	13.0	13.0	11.0	10.5	10.5	10.5	10.5	10.5	9.3
Sewer	16.0	16.0	16.0	17.0	17.0	15.0	15.0	16.0	16.0	15.9
Fleet maintenance	5.7	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Total Public Works	74.2	72.5	70.6	70.3	68.1	65.1	65.0	66.0	66.0	66.0
Culture and Recreation										
Recreation	33.1	34.9	34.8	36.2	34.4	34.4	32.7	32.7	32.7	33.7
Public Library	15.8	14.8	13.8	13.5	13.4	13.4	13.9	13.9	14.1	14.8
Total Culture and Recreation	48.9	49.7	48.6	49.7	47.8	47.8	46.6	46.6	46.8	48.5
Public Welfare										
Welfare	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8
Total Public Welfare	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8
Total All Functions	299.5	297.0	291.3	291.5	290.8	287.2	284.9	287.6	290.6	299.8

Percent of Total										
General Government	13.2%	13.2%	11.7%	11.2%	11.6%	11.6%	11.9%	12.1%	12.0%	12.1%
Public Safety	44.8%	44.7%	46.4%	46.6%	47.6%	48.1%	47.9%	47.8%	48.2%	48.8%
Public Works	24.8%	24.4%	24.2%	24.1%	23.4%	22.7%	22.8%	22.9%	22.7%	22.0%
Culture and Recreation	16.3%	16.7%	16.7%	17.1%	16.4%	16.6%	16.4%	16.2%	16.1%	16.2%
Public Welfare	0.9%	0.9%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	0.9%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Data Source:
Budgeted Positions per City of Dover Budget. Full time equivalent based on 40 hours per week.

Notes

- (1) The City Clerk Office was transferred from Executive Department to Finance Department in FY10.
- (2) The Building Inspection Division of the Planning Department was transferred to the Fire and Rescue Department in FY09.

City of Dover, New Hampshire

School Building Information Last Ten Fiscal Years

	2007	2008	2009	2010	Fiscal Year		2012	2013	2014	2015	2016
					2011	2012					
Garrison Elementary	Square feet	65,938	65,938	65,938	65,938	65,938	65,938	65,938	65,938	65,938	65,938
	Teachers	31.5	31.5	31.7	33.7	34.2	28.3	27.3	27.1	29.1	29.3
	Capacity	672.5	672.5	672.5	672.5	672.5	672.5	672.5	672.5	672.5	672.5
	Enrollment	379.0	512.0	541.0	536.0	555.0	464.0	452.0	469.0	470.0	474.0
Home Street Elementary	Square feet	48,236	48,236	48,236	48,236	58,223	58,223	58,223	58,223	58,223	58,223
	Teachers	22.4	22.4	23.7	25.5	24.7	28.3	28.3	30.3	31.3	32.3
	Capacity	612.5	612.5	612.5	612.5	620.5	620.5	620.5	620.5	620.5	620.5
	Enrollment	474.0	358.0	365.0	370.0	400.0	508.0	507.0	516.0	534.0	511.0
Woodman Park Elementary	Square feet	105,178	105,178	105,178	105,178	105,178	105,178	105,178	105,178	105,178	105,178
	Teachers	32.3	32.3	28.3	27.1	28.9	31.2	32.3	32.3	34.3	39.3
	Capacity	594.0	594.0	594.0	594.0	594.0	594.0	594.0	594.0	594.0	594.0
	Enrollment	454.0	468.0	506.0	537.0	575.0	541.0	596.0	617.0	599.0	596.0
Totals All Elementary Schools	Square feet	219,352	219,352	219,352	219,352	229,339	229,339	229,339	229,339	229,339	229,339
	Teachers	86.2	86.2	83.7	86.3	87.8	87.8	87.9	89.7	94.7	100.9
	Capacity	1,879.0	1,879.0	1,879.0	1,879.0	1,887.0	1,879.0	1,887.0	1,887.0	1,887.0	1,887.0
	Enrollment	1,307.0	1,338.0	1,412.0	1,443.0	1,530.0	1,513.0	1,555.0	1,602.0	1,603.0	1,581.0
Dover Middle School	Square feet	175,020	175,020	175,020	175,020	175,020	175,020	175,020	175,020	175,020	175,020
	Teachers	72.9	72.9	69.4	67.7	65.9	67.7	66.7	67.5	69.7	70.5
	Capacity	1,380.0	1,380.0	1,380.0	1,380.0	1,380.0	1,380.0	1,380.0	1,380.0	1,380.0	1,380.0
	Enrollment	1,082.0	1,109.0	1,094.0	1,077.0	1,084.0	1,134.0	1,089.0	1,115.0	1,169.0	1,156.0
Dover High School	Square feet	234,670	234,670	234,670	234,670	234,670	234,670	234,670	234,670	234,670	234,670
	Teachers	116.8	116.8	114.9	116.8	112.9	113.3	107.3	103.2	104.4	103.1
	Capacity	1,760.0	1,760.0	1,760.0	1,760.0	1,760.0	1,760.0	1,760.0	1,760.0	1,760.0	1,760.0
	Enrollment	1,866.0	1,779.0	1,728.0	1,649.0	1,574.0	1,522.0	1,480.0	1,396.0	1,358.0	1,427.0
Totals All Schools	Square feet	629,042	629,042	629,042	629,042	639,029	639,029	639,029	639,029	639,029	639,029
	Teachers	275.9	275.9	268.0	270.8	266.6	268.8	261.9	260.4	268.8	274.5
	Capacity	5,019.0	5,019.0	5,019.0	5,019.0	5,027.0	5,027.0	5,027.0	5,027.0	5,027.0	5,027.0
	Enrollment	4,255.0	4,226.0	4,234.0	4,169.0	4,188.0	4,169.0	4,124.0	4,113.0	4,130.0	4,164.0
Food Service - All Schools	Number Meals Served	340,863	335,834	341,272	355,209	358,754	363,718	345,427	344,414	348,071	343,416
	Avg Daily Participation	1,894	1,866	1,896	1,973	1,993	2,021	1,939	2,057	1,963	1,957

Data Source:
School Department - as of official NH Department of Education reporting date: Oct 1st

City of Dover, New Hampshire

School Department Operating Statistics Last Ten Fiscal Years

Fiscal Year	Operating Budget (1)	Debt Service (1)	Total Budget	Enrollment (2)	Cost per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio	Attendance Percentage
2016	\$ 46,776,263	\$ 3,692,421	\$ 50,468,684	4,164	\$ 12,120	3.5%	274.5	15.2	95.0%
2015	44,456,755	3,892,349	48,349,104	4,130	11,707	4.3%	268.8	15.4	95.0%
2014	42,263,590	3,914,453	46,178,043	4,113	11,227	0.1%	260.4	15.8	94.9%
2013	42,264,590	3,988,329	46,252,919	4,124	11,216	2.2%	261.9	15.7	94.9%
2012	41,677,206	4,075,515	45,752,721	4,169	10,975	2.8%	268.8	15.5	94.8%
2011	40,468,900	4,245,221	44,714,121	4,188	10,677	-0.3%	266.6	15.7	94.7%
2010	40,699,081	3,934,140	44,633,221	4,169	10,706	5.5%	270.8	15.4	94.6%
2009	39,216,997	3,761,337	42,978,334	4,234	10,151	3.1%	268.0	15.8	94.6%
2008	37,912,706	3,689,854	41,602,560	4,226	9,844	7.4%	275.9	15.3	95.2%
2007	36,203,218	2,799,270	39,002,488	4,255	9,166	3.3%	275.9	15.4	94.6%

Data Source:

Budget information from City Adopted Budget and non-financial information provided by the School Department.

Notes:

- (1) Budget is for the General Fund only and excludes grant funds and cafeteria fund.
- (2) Enrollment is based on start of year census.

City of Dover, New Hampshire

School Educational and Service Information Last Ten Fiscal Years

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Dover High School										
Senior Enrollment (1)	411	393	391	382	350	363	327	315	315	315
Status of Seniors (2)										
Graduated	372	366	352	378	337	345	336	308	308	313
Enrolled in four-year college	167	162	180	177	158	153	141	157	133	166
Enrolled in two-year college	76	84	70	88	63	74	104	76	74	62
Enlisted in Armed Forces	5	18	10	14	11	9	7	13	6	14
Post-secondary, workforce or other	124	102	92	99	105	109	84	69	95	71
SAT Mean Scores										
Verbal	518	512	497	500	495	509	509	501	516	525
Math	520	517	507	508	501	511	521	513	510	520
% of Seniors taking test	61%	62%	63%	60%	61%	66%	63%	65%	55%	66%

Data Source: School Department - as of official NH Department of Education reporting date: Oct 1st

NOTES:

- (1) As of Official DOE Reporting Date: Oct 1st. Enrollment includes tuition students.
- (2) As of end of fiscal year.

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